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Washington LABOR MARKET

October 1986

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Employment Up Seasonally

Total employment in Washington State rose 13,200 between August and September mainly because of the beginning of a new school year and other seasonal expansions in the food processing, lumber, trade and service industries. Agricultural employment rose in Eastern Washington because of the apple harvest, but the expansion east of the Cascades was largely offset by a reduction in Western Washington where the raspberry harvest was completed. Over 13,000 workers were employed in the apple harvest this September. Total production for the year was estimated at 70.2 million boxes, up 44 percent from 1985 when frost damage in the spring reduced yields substantially.

Schools Reopen, Bus Drivers Back on the Job

Nonfarm employment rose 22,700 over the month. Public education added 19,400 alone with the reemployment of bus drivers, cafeteria workers, teacher aides, and other noncertificated workers in September. (Teachers are paid on a

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	Sep. 1986* (Prel.)	Aug. 1986* (Rev.)	Sep. 1985
Civilian Labor Force	2,227,100	2,224,900	2,125,100
Total Employment	2,076,400	2,063,200	1,980,500
Total Unemployment	150,700	161,700	144,600
State Unemployment Rate	6.8	7.3	6.8
National Civilian Unemployment Rate	6.8	6.7	6.9

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

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twelve-month basis and are considered employed all year.) The increase in government payrolls, however, was limited to 11,500 as work-experience programs for disadvantaged youth were concluded with the reopening of schools. Over 6,000 youth were employed in these programs in August. Other reductions in public payrolls occurred at parks and national forests which cut back as usual in September.

Schools and Fairs Boost Trade and Service Payrolls

The beginning of a new school year also boosted employment in services (up 4,500) which includes employment at private schools. The expansion in services was augmented by seasonal gains at county and regional fairs (amusement and recreation). The fairs also contributed heavily to a 2,200 increase in retail trade with most of these jobs at food stands and other temporary eating places. Firms which contract with schools to provide food services also added workers in September, while back-to-school shopping gave an additional boost to retail trade employment over the month.

Wholesale trade was also up in September; a 1,600 gain was reported by wholesale houses in Eastern Washington where this year's apple crop was being packed. The large crop this year will benefit employment opportunities in subsequent months as well because of shipping, repacking and processing activities.

Food Processing and Lumber Jobs Up

In the manufacturing industries, employment rose 2,600 in September. The lumber and food processing industries each added 1,100 workers to account for most of the new jobs, but aerospace rose 500 to extend its long-term expansion. Logging benefited from the lifting of fire hazard restrictions, which depressed employment in August.

Unemployment At Annual Low

Responding to the expansion in employment, total unemployment in Washington State fell to 150,700 and 6.8 percent of the labor force in September, representing a reduction of 11,000 from August when the rate was 7.3 percent (revised). If past seasonal patterns are followed, this will mark the low point for unemployment this year. In October, employment will begin to decline in logging, construction and tourist-related jobs and unemployment will begin to increase.

On a seasonally adjusted basis, the jobless rate at 7.7 percent was unchanged from both this August and September 1985. As in the case of the nation, unemployment has shown little tendency to fall or rise over the past year. Reductions in unemployment from the 1982 recession came to a halt in 1986, and no new trend is apparent at this time. Reasons for the leveling off of the jobless rate are clear, the major cause being the effect of foreign competition on manufacturing employment. Nationally, manufacturing employment has dropped over 100,000 in the last year. Here in Washington State manufacturing employment was up 3,100 over the year in September, but only because a gain in aerospace of 8,600 offset reductions in other industries.

Nonfarm Jobs Up 53,600 Over The Year

Despite losses in several manufacturing industries, total nonagricultural employment in the state was up 53,600, or three percent, over the year. Services and retail trade led the expansion and together accounted for 31,700, or about 60 percent, of the new jobs. Other significant increases were in government, up 8,500; finance-insurance-real estate, up 5,300; and construction, up 2,600. The gain in civilian government payrolls was largely confined to education. In finance-insurance-real estate, lower mortgage rates were the prime mover in the expansion. The lower rates boosted real estate sales and, in turn, finance and insurance business. Refinancing activity was also brisk as thousands of homeowners who had originally financed their homes at higher rates were refinancing at lower rates.

Area Developments

Although unemployment declined in most counties of the state in September, the largest relative reductions were in Eastern Washington because of the apple harvest. Besides the thousands of harvest jobs, the harvest also boosted employment significantly at wholesale facilities, packing, storing and shipping apples, at firms transporting the crop, and at retail outlets and service firms where business picked up because of an influx of migrant farm workers. While the jobless rates in Western Washington dropped from 6.8 to 6.5 percent over the month, the rate in Eastern Washington fell from 8.9 to 7.6 percent.

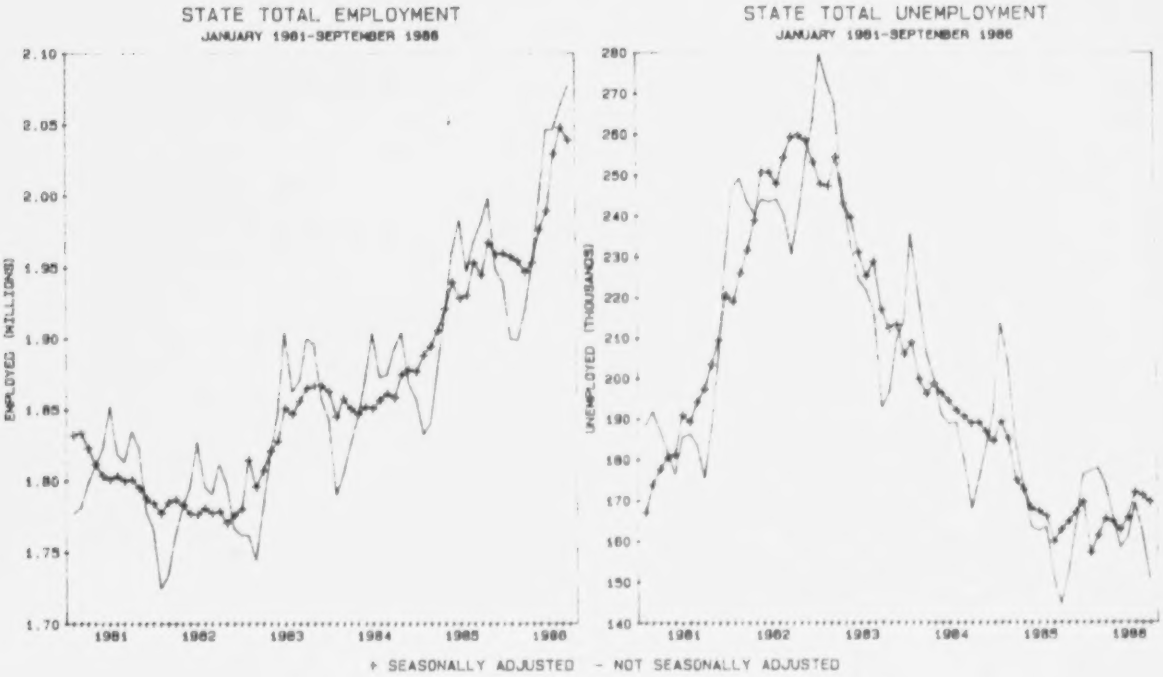
Apple Areas

Typical of the major apple producing areas were Wenatchee, Okanogan and Yakima. In the Wenatchee area (Chelan and Douglas counties), the jobless rate fell from 11.7 to 7.2 percent between August and September, while the rate in Okanogan County dropped from 15.3 to 10.3 percent. Yakima County is larger and more diversified, nonetheless, its unemployment rate fell from 11.1 to 8.9 percent over the month.

Lumber Counties

Unemployment in counties largely dependent on the lumber industry also saw their combined rate drop nine-tenths of a point compared to the half point decline in the statewide average because of the seasonal expansion in the industry. Their overall rate, however, at 9.4 percent remained well above the 6.8 percent statewide average. Typical of these counties were Grays Harbor, Lewis and Pacific. In Grays Harbor the rate fell from 11.1 to 10.4 percent over the month; Lewis County saw its rate decline from 10.2 to 9.3 percent, while the rate in Pacific County fell from 10.0 to 9.3 percent.

The apple harvest and expansion in lumber had relatively little impact on the state's major metropolitan areas, and the decline in unemployment in these areas was limited. In the Seattle Metropolitan Area the jobless rate slipped from 5.9 to 5.7 percent between August and September. Its rate in the latter month, however, remained well below that of the state and nation (both 6.8 percent). The jobless rate in the Spokane Metropolitan Area also dropped two-tenths of a point, from 7.0 to 6.8 percent, while the rate in the Tacoma Metropolitan Area was down three-tenths of a point, from 7.8 to 7.5 percent. Tacoma benefited not only from the reopening of schools in September, but also from the Western Washington Fair in Puyallup, which is one of the largest fairs in the nation.



MANUFACTURING INDUSTRIES

Duty Imposed On Canadian Lumber

The major development affecting the lumber industry was the preliminary decision by the U.S. Commerce Department to impose a 15 percent duty on Canadian softwood lumber imported into this country. U.S. trade law, however, allows a 45-day period for negotiation and possible suspension of the duty. The British Columbia government previously offered to impose a ten percent export tax on its lumber shipments, but U.S. sawmill owners rejected the proposal as inadequate.

U.S. lumber operators maintain that Canada subsidizes its lumber industry by selling government-owned timber below its true value. Canada contends that its sawmills can sell lumber at a lower price because the value of the Canadian dollar has dropped substantially in recent years relative to the value of the U.S. dollar. Whatever the reason, Canadian lumber now accounts for 31.6 percent of U.S. softwood consumption.

The preliminary decision to impose the duty was a mixed victory for U.S. sawmills and not all businessmen in this country were pleased with the decision. U.S. sawmill operators had asked for a duty of up to 32 percent on Canadian lumber, and they are hoping that the duty will be raised during its review, which is scheduled to end December 30. On the other side of the issue, a representative for the National Lumber Dealers Association predicted that the 15 percent duty could cost up to 15,000 jobs in housing and allied industries nationally.

The Canadian government's response to the preliminary decision to impose the duty was generally reserved. Some Canadians were relieved that the duty was not higher. The Canadian Trade Minister said that Canada would not retaliate as it had when a tariff was imposed this summer on Canadian cedar shakes and shingles exported to the U.S. After that tariff was imposed, Canada responded by placing a duty on U.S. books, computer parts and Christmas trees.

Two New Plants To Open

Despite the general depression in the lumber industry, two new plants are scheduled to be opened. U.S. Waferboard will build a $45 million plant near McCleary which will provide up to 220 jobs. The firm expects the plant to be in full production by mid-1988. (Waferboard is a relatively new plywood substitute which is manufactured by reducing solid wood into small units--wafers--and then reforming it with adhesives. More of the tree and poorer quality wood can be used.)

The second plant will be a veneer plant which will be built in Aberdeen by Pacific Veneer Ltd., a joint venture 80 percent owned by Weyerhaeuser. The plant expects to employ about 55 workers and plans to sell veneer in Japanese markets. According to a Weyerhaeuser spokesman, the Japanese supply of wood for veneer has dried up and they have been looking for a new source. He added that additional veneer mills may be built by the joint-venture.

Evans Products Mill Closed

While Aberdeen will get a new veneer plant, it lost the Evans Products Company plywood plant which closed in October, idling about 125 workers. The plant was subsequently sold to a Gig Harbor Company that may try to reopen it.

Boeing Workers Get New Contract

The Boeing Company and its production workers agreed on a new three year contract in October that provides for a 40-cent-an-hour cost of living adjustment retroactive to October 4. The workers will also receive a bonus of 12 percent of their annual pay at the end of this year and five percent year-end bonuses at the end of 1987 and 1988. The new contract will also phase out the two-tier wage system which established lower pay rates for new employees. The new contract covers about 28,000 Boeing workers in the Puget Sound Area.

The agreement will have a positive impact on the state economy by boosting purchasing power. Hourly earnings of production workers in aerospace next year should be about $1.59 higher than during this year, including the 1986 year-end bonus. Average hourly earnings for production workers in all manufacturing may be lifted 30 cents.

Orders In Aerospace Strong

Orders for new aircraft logged by The Boeing Company in the first nine months of 1986 are impressive. Through September Boeing received orders for 386 planes valued at $16.9 billion, up from 181 planes valued at $5.6 billion for the comparable period in 1985. Orders so far in the fourth quarter have been equally impressive. In October, Boeing received more than $2 billion in wide-bodied jet orders. Major customers were Japan Airlines, All Nippan Airways, and Northwest Airlines.

ISC To Cut 110 In Spokane

ISC Systems Corporation, which manufacturers bank computer systems in Spokane, announced that it will reduce its Spokane staff to about 950 by June 30, 1987 from 1,100 in June this year. About 35 workers have already left. The firm is cutting excess manufacturing capacity.

NONMANUFACTURING INDUSTRIES

National Housing Starts Down

Construction employment was unchanged between August and September; homebuilding activity rose but was offset by cutbacks in heavy construction. Nationally, housing starts turned down in September, and the outlook was for further moderate reductions despite relatively low mortgage rates. The number of starts was estimated at a seasonally adjusted annual rate of 1,680,000 units in September, the lowest level since November 1985 and just 1.6 percent above the year-ago rate. Earlier this year homebuilding had been a major stimulus to the economy, spurring demand in related industries. For the first nine months of the year, housing starts were up 7.7 percent from the comparable period in 1985.

Building permits for housing units, an indicator of future activity, also fell nationally in September by 3.6 percent following a decline of 4.9 percent in August. Starts for 1986 are expected to total 1,800,000 to 1,850,000 units, up from 1,740,000 in 1985, but analysts see a drop to 1,700,000 units in 1987 with most of the reduction in apartment units.

The principal weakness in housing starts in recent months has been in the apartment area. Apartment construction has been slowed by changes in tax law, which will make real estate investments less profitable, and by rising vacancy rates. Construction of single family homes has sagged despite the decline in mortgage rates because of the accelerating price of new homes. The average price of a new home nationally was $116,300 in August, up over 17 percent from August 1985.

Retail Trade and Services Strong But Outlook Cloudy

Retail trade and services posted healthy gains between August and September with substantial year-to-year growth despite weakness in manufacturing. The same pattern was noted nationally as consumer spending continued to support the economic expansion. Many analysts question how long this trend will last because of rising consumer debt and slow growth in personal income.

Autos Boost Retail Sales Jobs

Nationally, retail sales posted a record increase of 4.6 percent in September, but the gain was largely due to an increase in new automobile sales which resulted from financing incentives offered by the manufacturers. The boost in car sales won't be sustained. Excluding automobiles, sales advanced only 0.1 percent in September.

While gains in retail trade employment in the state were largely seasonal between August and September, employment at retail outlets was up a substantial 15,400, or 4.7 percent, over the year. The major gains in retail trade were credited to eating and drinking places, up 7,000, and food stores, up 5,600. Restaurants, especially fast food outlets, have continued their long-term growth trend. The major reasons are probably the increasing participation of married women in the work force, the growing number of single person households, and the relatively low cost and convenience of meals at fast food outlets.

Employment at food stores in metropolitan areas has grown rapidly in the last year because many stores are now open 24 hours each day. In addition, many have expanded their product line to include clothing, electronic products, and ready-to-go food.

Business Services Are Popular

Services employment growth has also been strong and pervasive over the year. Nearly all segments of the service industry expanded year to year, but business services, up 4,800, and medical services, up 3,400, posted the largest gains. Business services have increased substantially as many firms find contracting out certain tasks from janitorial to data processing less expensive than using their own employees. Other firms have contracted with personnel supply firms for workers; these workers remain the employees of the supplying company and the contracting firm has no obligation to retain them or include them in their pension or other benefit programs. When business conditions are uncertain or volatile, using employees of personnel supply agencies eliminates the disruptive effect of periodic layoffs.

Medical services posted a gain of 3,400 over the year despite obvious competitive pressures in the industry. Nonetheless, an increasing number of practitioners is pushing employment higher.

NATIONAL CONTEXT

Slow Growth May Continue

National economic indicators continued to reflect a slow moving expansion and suggest more of the same in subsequent months. While a faster moving economy would be more desirable and result in a reduced federal deficit and less unemployment, the slow-paced expansion is still preferable to any downturn. And considering the length of the current expansion, we are fortunate the expansion is still underway. November will mark the fourth year of the expansion from the 1982 recession. Only four of the previous 30 expansions have lasted four or more years. The most recent was the 1975-1980 upturn and the longest lasted nearly nine years, from 1961 through 1969.

GNP Up

The Gross National Product (GNP), the government's principal measure of economic activity, rose at a 2.4 percent annual rate in the third quarter. The advance was modest but well above the 0.6 percent gain in the second quarter. The third quarter gain reflected increased consumer spending and small gains in fixed investment and government spending. Analysts noted that much of the growth in consumer spending was for new automobiles which was prompted by financing incentives offered by car makers. Obviously, auto sales will not continue their third quarter pace in the fourth quarter.

While some analysts expect growth in the GNP to decline in the fourth quarter, others expect greater growth, citing a turnaround in trade and a rebuilding of inventories.

Trade Deficit Narrows

The trade deficit narrowed in September for the second straight month, falling to $12.5 billion from $16.05 billion in July. Analysts credit the improvement on the decline in the value of the dollar. The dollar's value has dropped 36 percent in relation to the trade-weighted value of foreign currency in the past 20 months. Should the decline in the deficit continue, it will increase economic growth and employment in the U.S.

Reflecting the decline in the dollar, import prices are rising at an accelerating pace, and foreign goods are becoming less competitive as foreign producers find it more difficult to pare profit margins to maintain market shares. In the third quarter, the price of imports, other than fuel, rose 2.9 percent from the second quarter. The second quarter increase was 1.1 percent. Since September 1985 import prices have increased 10.2 percent.

Leading Indicators Up

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose 0.4 percent in September following a 0.1 percent loss in August. While the increase was modest, economists were encouraged that the rise resulted from gains in the nonfinancial components of the Index which have sagged for much of the year. Making a positive contribution to the Index were a decline in unemployment claims, an increase in orders for consumer goods, increased orders for plant and equipment, growth in business formations, an expansion in the money supply and in credit outstanding, and slower business deliveries (suggesting larger backlogs). Leading indicators on the downside in September were building permits, sensitive material prices and stock market prices. The drop in sensitive material prices reflected a sharp drop in cotton prices which resulted from a cut in government price supports.

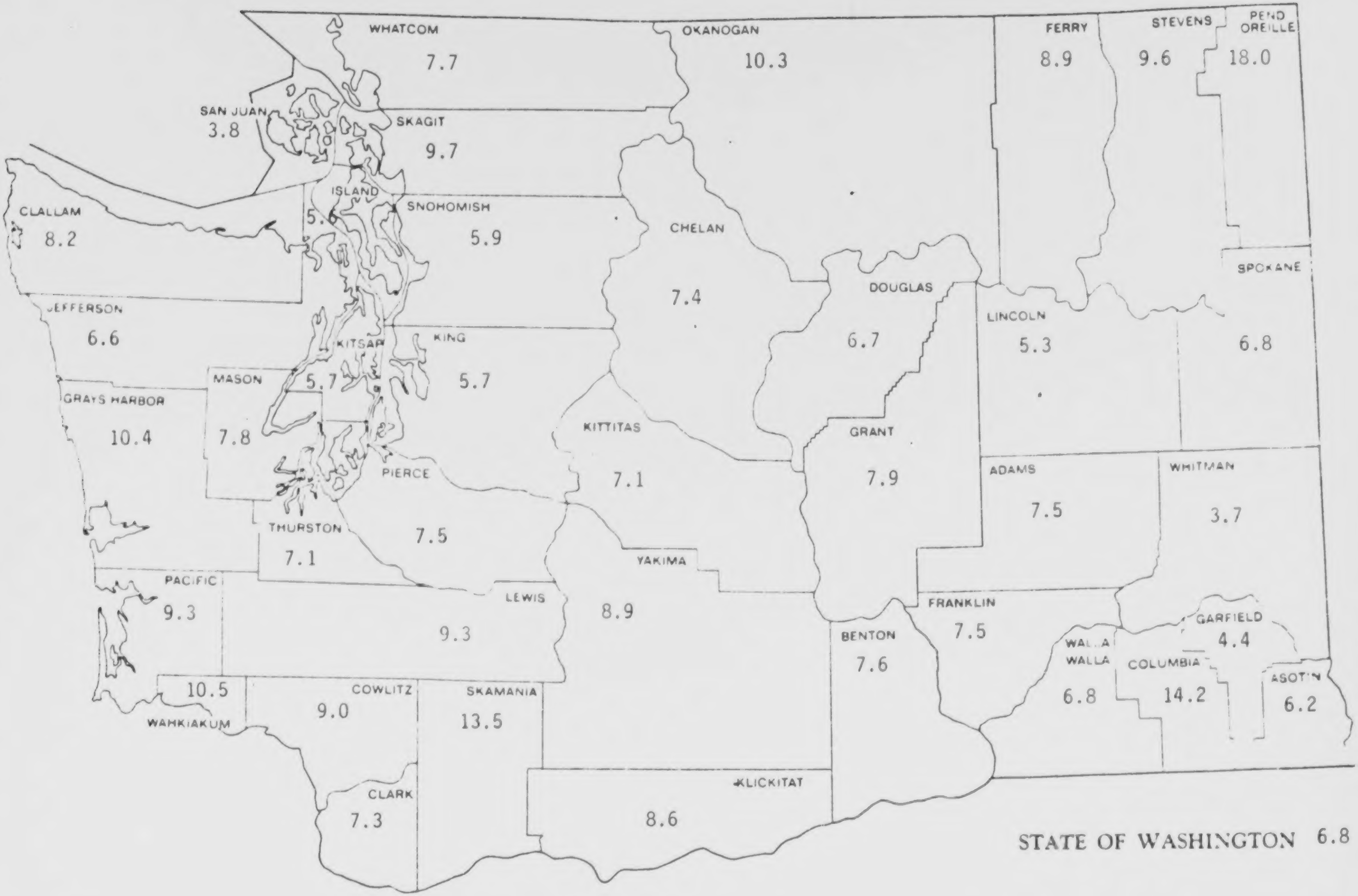
Labor Surplus Areas

The list of labor surplus areas for the fiscal year ending September 1986 has been extended by the U.S. Department of Labor until they complete work on the list for fiscal 1987. Changes in the law governing labor surplus areas reduced the population requirement for eligibility of cities from 50,000 to 25,000. The fiscal 1987 listing will be published in the Washington Labor Market as soon as possible.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Sept. 1986	Aug. 1986	Sept. 1985	Sept. 1986	Aug. 1986
U.S. City Average	330.2	328.6	324.5	1.8	+1.6
Seattle-Everett	326.3	N/A	321.8	1.4	N/A


WHATCOM
7.7
OKANOGAN
10.3
FERRY
8.9
STEVENS
9.6
PEND OREILLE
18.0
SAN JUAN
3.8
SKAGIT
9.7
ISLAND
5.6
SNOHOMISH
5.9
CLALLAM
8.2
CHELAN
7.4
DOUGLAS
6.7
SPOKANE
6.8
LINCOLN
5.3
JEFFERSON
6.6
KITSAP
5.7
KING
5.7
MASON
7.8
GRAYS HARBOR
10.4
KITTITAS
7.1
GRANT
7.9
ADAMS
7.5
WHITMAN
3.7
PIERCE
7.5
THURSTON
7.1
YAKIMA
8.9
PACIFIC
9.3
LEWIS
9.3
FRANKLIN
7.5
GARFIELD
4.4
BENTON
7.6
WALLA WALLA
6.8
COLUMBIA
14.2
ASOTIN
6.2
10.5
WAHKIAKUM
COWLITZ
9.0
SKAMANIA
13.5
CLARK
7.3
KLICKITAT
8.6

STATE OF WASHINGTON 6.8

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Sep. 1986 (Prel.)	Aug. 1986 (Rev.)	Sep. 1985 (Rev.)	Aug. 1985 (Rev.)	Numerical Change	
					Aug. 86 to Sep. 86	Sep. 85 to Sep. 86
TOTAL NONAG. WAGE AND SALARY.	1,795.1	1,772.4	1,741.5	1,720.9	+22.7	+53.6
TOTAL MANUFACTURING.........	305.3	302.7	302.2	299.7	+2.6	+3.1
Durable Goods..............	210.7	209.1	207.2	205.9	+1.6	+3.5
Lumber & Wood Products....	38.3	37.2	39.1	39.3	+1.1	-0.8
Furniture & Fixtures......	3.8	3.9	3.8	3.6	-0.1	0.0
Stone Clay & Glass Prod...	6.5	6.5	6.8	6.8	0.0	-0.3
Primary Metal Industries..	11.6 3/	11.6 3/	12.8	12.8	0.0	-1.2
Aluminum Prod.& Proc.....	7.6 3/	7.6 3/	8.6	8.6	0.0	-1.0
Fabricated Metal Prod.....	10.1	10.0	10.2	10.0	+0.1	-0.1
Machinery.................	27.6	27.7	28.8	28.6	-0.1	-1.2
Machinery exc. Elect.....	15.4	15.5	16.5	16.3	-0.1	-1.1
Electrical & Electronic..	12.2	12.2	12.3	12.3	0.0	-0.1
Transportation Equipment..	98.3	97.6	90.8	89.8	+0.7	+7.5
Aerospace................	86.5	86.0	77.9	76.9	+0.5	+8.6
Other Transp. Equip......	11.8	11.6	12.9	12.9	+0.2	-1.1
Instruments & Rel. Prod...	10.1	10.2	10.7	10.7	-0.1	-0.6
Misc. Manufacturing Ind...	4.4	4.4	4.2	4.3	0.0	+0.2
Nondurable Goods...........	94.6	93.6	95.0	93.8	+1.0	-0.4
Food & Kindred Products...	34.5	33.6	35.2	34.2 3/	+0.9	-0.7
Canned & Preserved Foods.	14.9	13.8	16.3	14.1	+1.1	-1.4
Apparel & Other Text.Prod.	6.7	6.7	6.3	6.3	0.0	+0.4
Paper & Allied Products...	16.7	16.7	16.5	16.7	0.0	+0.2
Printing & Publishing.....	17.5	17.5 3/	17.7	17.4	-0.0	-0.2
Chemicals & Allied Prod...	11.5	11.4	11.6	11.5	+0.1	-0.1
Other Nondurable Goods 2/.	7.7	7.7	7.7	7.7	0.0	0.0
MINING & QUARRYING..........	2.9	3.0	3.0	3.0	-0.1	-0.1
CONSTRUCTION................	90.5	90.5	87.9	87.7	0.0	+2.6
TRANS.& PUBLIC UTILITIES....	98.1	97.7	97.2	96.5	+0.4	+0.9
WHOLESALE & RETAIL TRADE....	449.4	445.6	432.4	427.9	+3.8	+17.0
Wholesale Trade............	111.1	109.5	109.5	107.4	+1.6	+1.6
Retail Trade...............	338.3	336.1	322.9	320.5	+2.2	+15.4
FIN. INS. & REAL ESTATE.....	105.8	105.8	100.5	100.7	0.0	+5.3
SERVICES....................	398.8	394.3	382.5	378.2	+4.5	+16.3
Health Services	121.8	121.5	118.4	118.0	+0.3	+3.4
GOVERNMENT..................	344.3	332.8	335.8	327.2	+11.5	+8.5
Federal....................	69.4	70.2	70.8	71.6	-0.8	-1.4
State & Local..............	274.9	262.6	265.0 3/	255.6	+12.3	+9.9
Education.................	139.0	119.6	131.2 3/	116.8	+19.4	+7.8
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	0.4	0.5	3.7	0.2	-0.1	-3.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 10/31/86
Benchmark: 1985

	SEPTEMBER 1986 PRELIMINARY 1/				AUGUST 1986 REVISED 1/				SEPTEMBER 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,227,100	2,076,400	150,700	6.8	2,224,900	2,063,200	161,700	7.3	2,125,100	1,980,500	144,600	6.8
Bellingham MSA	55,900	51,600	4,300	7.7	56,800	52,400	4,400	7.7	52,700	48,800	3,900	7.4
Bremerton MSA	72,400	68,300	4,100	5.7	72,600	68,400	4,200	5.8	68,400	64,700	3,700	5.4
Olympia MSA	70,100	65,100	5,000	7.1	71,000	65,700	5,300	7.5	64,800	60,200	4,600	7.1
Seattle PMSA	979,800	923,800	56,000	5.7	980,200	922,300	57,900	5.9	927,800	873,300	54,500	5.9
King County 2/	766,200	722,800	43,400	5.7	766,200	721,700	44,500	5.8	725,500	683,400	42,100	5.8
Snohomish County 2/	213,600	201,000	12,600	5.9	213,900	200,600	13,300	6.2	202,400	190,000	12,400	6.1
Spokane MSA	163,100	152,000	11,100	6.8	161,800	150,400	11,400	7.0	160,700	150,000	10,700	6.7
Tacoma PMSA	231,400	214,000	17,400	7.5	231,500	213,500	18,000	7.8	220,500	204,900	15,600	7.1
Tri-Cities MSA	71,100	65,700	5,400	7.6	70,200	63,800	6,400	9.1	69,600	64,300	5,300	7.6
Benton County 2/	53,700	49,600	4,100	7.6	52,900	48,200	4,700	8.9	52,600	48,500	4,100	7.8
Franklin County 2/	17,400	16,100	1,300	7.5	17,300	15,600	1,700	9.8	17,000	15,700	1,300	7.6
Vancouver PMSA	106,500	98,700	7,800	7.3	106,600	98,200	8,400	7.9	101,800	94,200	7,600	7.5
Yakima MSA	93,400	85,100	8,300	8.9	91,600	81,400	10,200	11.1	90,900	82,800	8,100	8.9
Adams	7,360	6,810	550	7.5	7,430	6,680	750	10.1	6,280	5,830	450	7.2
Asotin	8,530	8,000	530	6.2	8,700	8,110	590	6.8	8,040	7,480	560	7.0
Clallam	22,480	20,630	1,850	8.2	22,700	20,670	2,030	8.9	20,870	19,010	1,860	8.9
Columbia	1,550	1,330	220	14.2	1,670	1,420	250	15.0	1,330	1,180	150	11.3
Cowlitz	34,960	31,810	3,150	9.0	34,110	30,690	3,420	10.0	34,240	30,400	3,840	11.2
Ferry	2,800	2,550	250	8.9	2,830	2,530	300	10.6	2,500	2,260	240	9.6
Garfield	1,130	1,080	50	4.4	1,210	1,140	70	5.8	970	920	50	5.2
Grant	26,040	23,990	2,050	7.9	25,960	23,770	2,190	8.4	23,720	21,790	1,930	8.1
Grays Harbor	26,240	23,510	2,730	10.4	26,640	23,690	2,950	11.1	26,040	23,400	2,640	10.1
Island	17,110	16,160	950	5.6	16,980	16,060	920	5.4	16,410	15,510	900	5.5
Jefferson	7,370	6,880	490	6.6	7,460	6,910	550	7.4	6,880	6,400	480	7.0
Kittitas	11,630	10,810	820	7.1	11,470	10,670	800	7.0	10,860	10,080	780	7.2
Klickitat	8,800	8,040	760	8.6	9,110	8,160	950	10.4	7,950	7,260	690	8.7
Lewis	24,160	21,930	2,230	9.2	24,690	22,160	2,530	10.2	23,700	21,530	2,170	9.2
Lincoln	4,510	4,270	240	5.3	4,680	4,460	220	4.7	3,970	3,810	160	4.0
Mason	13,270	12,230	1,040	7.8	13,510	12,420	1,090	8.1	12,400	11,610	790	6.4
Okanogan	15,760	14,140	1,620	10.3	15,470	13,100	2,370	15.3	14,900	13,170	1,730	11.6
Pacific	7,070	6,410	660	9.3	7,400	6,660	740	10.0	7,050	6,290	760	10.8
Pend Oreille	3,440	2,820	620	18.0	3,550	3,020	530	14.9	3,580	3,100	480	13.4
San Juan	5,060	4,870	190	3.8	5,520	5,320	200	3.6	5,350	5,150	200	3.7
Skagit	31,940	28,830	3,110	9.7	33,850	30,600	3,250	9.6	30,430	27,400	3,030	10.0
Skamania	2,440	2,110	330	13.5	2,390	2,060	330	13.8	2,350	2,020	330	14.0
Stevens	11,810	10,680	1,130	9.6	11,940	10,720	1,220	10.2	11,090	9,950	1,140	10.3
Wahkiakum	1,240	1,110	130	10.5	1,240	1,120	120	9.7	1,210	1,070	140	11.6
Walla Walla	24,080	22,440	1,640	6.8	23,980	22,340	1,640	6.8	23,280	21,940	1,340	5.8
Wenatchee Labor Area	46,200	42,870	3,330	7.2	41,950	37,040	4,910	11.7	46,070	42,960	3,110	6.8
Chelan County 2/	31,160	28,840	2,320	7.4	28,410	24,920	3,490	12.3	31,160	28,900	2,260	7.3
Douglas County 2/	15,040	14,030	1,010	6.7	13,530	12,120	1,410	10.4	14,900	14,060	840	5.6
Whitman	16,290	15,690	600	3.7	16,360	15,700	660	4.0	16,170	15,700	470	2.9

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

October 31, 1986
Benchmark: 1985

(Not Seasonally Adjusted)

	SEPTEMBER 1986 PRELIMINARY 1/				AUGUST 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,254,300	2,094,900	159,400	7.1	2,260,900	2,088,100	172,800	7.6
Bellingham MSA	56,500	52,000	4,500	8.0	57,800	53,100	4,700	8.1
Bremerton MSA	73,300	68,900	4,400	6.0	73,700	69,200	4,500	6.1
Olympia MSA	71,000	65,700	5,300	7.5	72,200	66,500	5,700	7.9
Seattle PMSA	991,200	932,000	59,200	6.0	995,300	933,500	61,800	6.2
King County 2/	775,200	729,300	45,900	5.9	778,000	730,400	47,600	6.1
Snohomish County 2/	216,100	202,800	13,300	6.2	217,400	203,100	14,300	6.6
Spokane MSA	165,200	153,400	11,800	7.1	164,400	152,200	12,200	7.4
Tacoma MSA	234,300	215,900	18,400	7.9	235,200	216,000	19,200	8.2
Tri-Cities MSA	72,100	66,300	5,800	8.0	71,400	64,600	6,800	9.5
Benton County 2/	54,400	50,000	4,400	8.1	53,800	48,700	5,100	9.5
Franklin County 2/	17,600	16,200	1,400	8.0	17,600	15,900	1,800	10.2
Vancouver PMSA	107,900	99,600	8,300	7.7	108,300	99,400	8,900	8.2
Yakima MSA	94,700	85,900	8,800	9.3	93,300	82,400	10,900	11.7
Adams	7,450	6,870	580	7.8	7,560	6,760	800	10.6
Asotin	8,630	8,070	560	6.5	8,840	8,210	630	7.1
Clallam	22,770	20,810	1,960	8.6	23,080	20,920	2,160	9.4
Columbia	1,580	1,350	230	14.6	1,700	1,430	270	15.9
Cowlitz	35,440	32,100	3,340	9.4	34,720	31,060	3,660	10.5
Ferry	2,830	2,570	260	9.2	2,880	2,560	320	11.1
Garfield	1,150	1,090	60	5.2	1,220	1,150	70	5.7
Grant	26,370	24,200	2,170	8.2	26,400	24,060	2,340	8.9
Grays Harbor	26,610	23,720	2,890	10.9	27,120	23,970	3,150	11.6
Island	17,310	16,310	1,000	5.8	17,240	16,260	980	5.7
Jefferson	7,460	6,940	520	7.0	7,580	6,990	590	7.8
Kittitas	11,770	10,900	870	7.4	11,650	10,800	850	7.3
Klickitat	8,920	8,120	800	9.0	9,270	8,250	1,020	11.0
Lewis	24,480	22,120	2,360	9.6	25,130	22.430	2,700	10.7
Lincoln	4,550	4,300	250	5.5	4,750	4,510	240	5.1
Mason	13,440	12,340	1,100	8.2	13,740	12,570	1,170	8.5
Okanogan	15,990	14,270	1,720	10.8	15,790	13,260	2,530	16.0
Pacific	7,170	6,470	700	9.8	7,530	6,740	790	10.5
Pend Oreille	3,500	2,850	650	18.6	3,620	3,060	560	15.5
San Juan	5,120	4,920	200	3.9	5,600	5,390	220	3.9
Skagit	32,380	29,090	3,290	10.2	34,430	30,960	3,470	10.1
Skamania	2,480	2,130	350	14.1	2,440	2,080	360	14.8
Stevens	11,970	10,770	1,200	10.0	12,160	10,850	1,310	10.8
Wahkiakum	1,260	1,120	140	11.1	1,260	1,130	130	10.3
Walla Walla	24,370	22,640	1,730	7.1	24,360	22,610	1,750	7.2
Wenatchee Labor Area	46,770	43,250	3,520	7.5	42,730	37,490	5,240	12.3
Chelan County 2/	31,550	29,090	2,460	7.8	28,950	25,220	3,730	12.9
Douglas County 2/	15,230	14,160	1,070	7.0	13,780	12,270	1,510	11.0
Whitman	16,460	15,830	630	3.8	16,590	15,890	700	4.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	August 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Aug-86	Jul-86	Aug-85	Aug-86	Jul-86	Aug-85	Aug-86	Jul-86	Aug-85
TOTAL MANUFACTURING INDUSTRIES*	176,300	$458.62	$462.50	$448.13	39.4	38.8	38.9	$11.64	$11.92	$11.52
SELECTED MANUFACTURING INDUSTRIES										
**Lumber and Wood Products	32,700	$386.89	$404.77	$420.26	35.3	36.4	36.8	$10.96	$11.12	$11.42
**Primary Metal Industries	9,100	$535.46	$530.85	$505.86	41.8	42.4	39.8	$12.81	$12.52	$12.71
Fabricated Metal Products	7,600	$452.13	$461.76	$441.18	39.8	39.5	38.7	$11.36	$11.69	$11.40
Machinery	15,700	$389.46	$350.50	$389.03	39.7	34.6	39.9	$9.81	$10.13	$9.75
Food and Kindred Products	24,800	$353.25	$363.89	$364.38	37.5	36.1	38.6	$9.42	$10.08	$9.44
Chemical and Allied Products	5,200	$557.57	$583.16	$586.58	40.2	41.3	42.2	$13.87	$14.12	$13.90
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	67,900	$585.00	$581.16	$599.04	36.7	36.3	37.3	$15.94	$16.01	$16.06
Wholesale and Retail Trade (does not include eating and drinking establishments)	273,700	$326.62	$319.77	$321.65	34.6	34.2	35.0	$9.44	$9.35	$9.19

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	September 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Sep-86	Aug-86	Sep-85	Sep-86	Aug-86	Sep-85	Sep-86	Aug-86	Sep-85
TOTAL MANUFACTURING INDUSTRIES*	182,800	$458.25	$453.17	$457.41	39.1	39.1	39.5	$11.72	$11.59	$11.58
SELECTED MANUFACTURING INDUSTRIES										
**Lumber and Wood Products	33,700	$392.77	$386.62	$456.30	36.2	35.6	39.1	$10.85	$10.86	$11.67
Primary Metal Industries	9,100	$556.14	$533.41	$513.08	42.1	42.1	40.4	$13.21	$12.67	$12.70
Fabricated Metal Products	7,800	$446.06	$451.49	$454.52	39.3	39.5	39.8	$11.35	$11.43	$11.42
Machinery	15,700	$386.80	$385.73	$392.12	40.0	39.4	40.3	$9.67	$9.79	$9.73
Food and Kindred Products	26,300	$344.45	$352.50	$348.35	36.8	37.5	37.7	$9.36	$9.40	$9.24
Chemical and Allied Products	5,200	$569.20	$563.20	$605.52	40.0	40.2	43.5	$14.23	$14.01	$13.92
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	67,600	$587.56	$583.53	$592.92	37.0	36.7	36.6	$15.88	$15.90	$16.20
Wholesale and Retail Trade (does not include eating and drinking establishments)	275,900	$323.95	$324.55	$328.41	34.1	34.6	34.9	$9.50	$9.38	$9.41

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

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12/30/86

Washington
LABOR MARKET

November 1986

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Employment Up Seasonally

Total unemployment in Washington State rose from 151,200 and 6.8 percent of the labor force in September to 158,500 and 7.1 percent in October. The increase in the jobless rate was normal for this time of the year and the seasonally adjusted rate was unchanged at 7.7 percent. The increase resulted from seasonal employment reductions in agriculture, food processing, construction and the tourist-related trade and service industries.

Colleges Begin New Year

Despite the seasonal job losses, total employment rose 6,500 over the month as higher employment in education more than offset losses in other industries. Unemployment rose because few of those losing jobs in agriculture manufacturing, construction and other industries were hired in education.

Nonagricultural payroll employment moved up 1,700 in October with a gain of 16,800 in public

Volume 10, Number 11

	Oct. 1986* (Prel.)	Sep. 1986* (Rev.)	Oct. 1985
Civilian Labor Force	2,242,300	2,228,500	2,150,600
Total Employment	2,083,800	2,077,300	1,998,100
Total Unemployment	158,500	151,200	152,500
State Unemployment Rate	7.1	6.8	7.1
National Civilian Unemployment Rate	6.6	6.8	6.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

education. The increase was largely at universities and colleges with most starting their new academic year after mid-September. (Employment estimates relate to the week including the 12th of each month.) Education payrolls were also boosted by continued hiring at elementary and secondary schools which were rounding out their staffs for the new school year.

Summer Tourist Season Over

Employment in most other industries declined in October. Payrolls in retail trade fell 4,000 largely because of seasonal reductions at restaurants and other eating and drinking places where business slowed following the end of the summer tourist season. September jobs levels were also high because of hundreds of temporary jobs at food stands and other eating places at fairs, especially the Western Washington fair in Puyallup.

Private Schools Add Employees Too

Services employment was down 600 from September, but losses in amusement and recreation (carnivals, fairs, golf, etc.) and other summer activities were cushioned by an increase in private education where nonpublic colleges began a new school year. Construction employment dipped 1,400 with fewer new projects being started because of the approach of winter and many outside jobs winding down until spring. Transportation and public utilities, off 1,700, also cut back as usual at this time of the year because of a drop in commercial business and fewer farm commodities moving to market.

Canning Season Past Its Peak

Manufacturing employment fell 1,600 between September and October. The only major change occurred in canned and preserved foods which was down 1,600 alone as the canning season passed its peak for the year. Gains and losses in other manufacturing industries were offsetting. Aerospace added 400 to continue its expansion, but at a slower pace than earlier this year. Aluminum payrolls were up 400 following the settlement of a labor dispute. Machinery fell 400; pulp and paper was down 300; and lumber payrolls dipped 200.

Jobs Up Over The Year But Manufacturing Weak

Nonfarm wage and salary payrolls were up 50,700, or 2.9 percent, over the year. The growth margin is substantial, above the 2.4 percent year-to-year gain nationally and slightly above the 1984-1985 increase of approximately 48,000. The expansion, however, has been uneven by industry as well as by area. Seven out of ten, or 36,500, of the new jobs were in the trade and service industries alone. Manufacturing employment, by contrast, has increased only 1,600, or less than one percent over the year. Moreover, without aerospace, it would have actually been down 6,700 or three percent. Aerospace itself rose 8,300 over the year to more than offset losses in other manufacturing industries.

Low-priced foreign goods have kept inflation in check, helped fuel the expansion in retail trade, and created a sizable number of jobs in activities related to imports, such as transportation, longshoring, warehousing, and legal and financial services necessary to support foreign trade. But at the same time, imports have resulted in layoffs in domestic manufacturing industries because of the competition from abroad.

Foreign Competition Hurt Some Manufacturing Industries

Industries particularly hard hit by foreign competition in Washington State and their year-to-year employment losses include lumber-wood products (down 900), primary metals (down 1,000), "other transportation equipment mainly shipbuilding" (down 900) and instruments (down 700). Job losses over the past year, however, are just the tip of the iceberg in the case of the lumber and "other transportation equipment (shipbuilding)" industries. Employment in lumber, the state's second largest source of manufacturing jobs, dropped 18,300, or 33 percent, since October 1978 largely because of increasing competition from Canadian producers and automation. The increased automation though, was largely prompted through the increased competitive pressure. In "other transportation equipment," employment plunged 9,100, or 43 percent, in the state since October 1978 because of competition from foreign shipyards and shipyards on the Gulf and East Coast of this country which have lower wage rates.

Foreign competition has also adversely affected wage rates. Many workers who have retained manufacturing jobs affected by foreign competition have done so by

accepting lower wages. Wage and/or fringe benefit reductions have been widespread, affecting thousands of workers in the lumber, aluminum, machinery and shipbuilding industries in the state. The cumulative effect of these reductions on purchasing power will likely slow the growth in the state's trade and service industries.

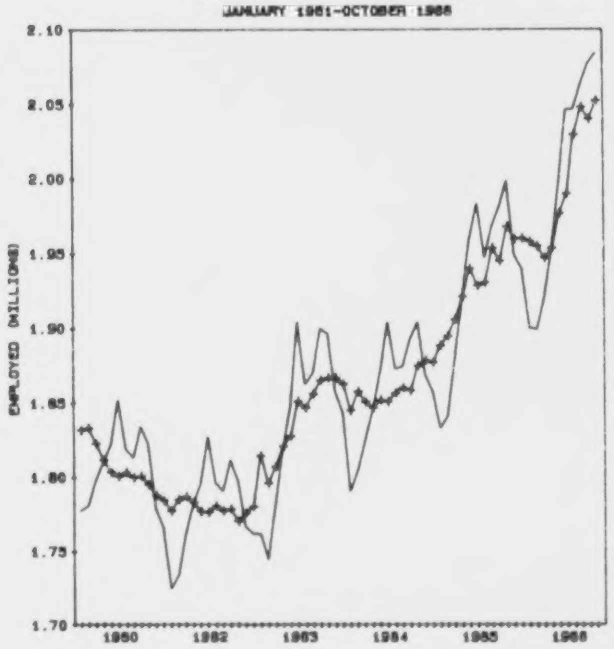
The nation's trade deficit appears to have stabilized in recent months in response to the decline in the value of the dollar relative to foreign currencies. The deficit totaled $12.06 billion in October, down from $14.74 billion in September and $14.03 billion in August. The October figure, however, is preliminary, and initial trade estimates are often revised upward because of delays in reporting imports.

Area Developments

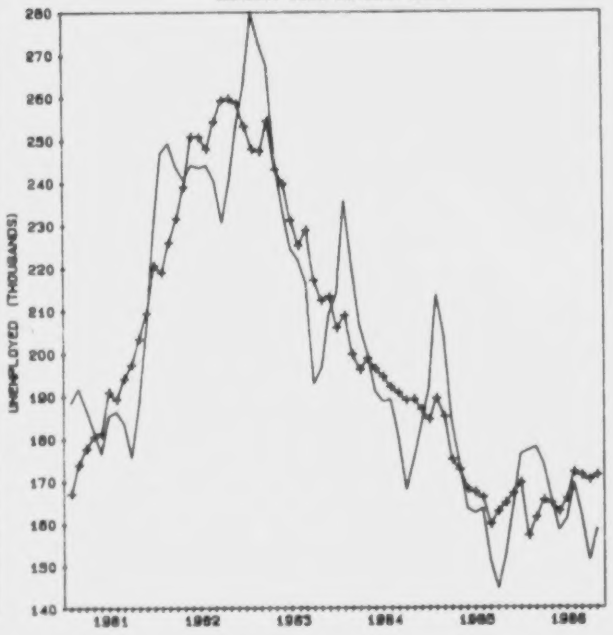
The increase in unemployment was fairly uniform in major areas of the state in October; Eastern Washington, Western Washington, lumber areas and metropolitan areas all saw their combined rates go up three to four-tenths of a point, which is normal for this time of the year. Whitman County was a notable exception with its rate dropping from 3.6 to 3.1 percent as employment jumped from 15,940 to 17,530 because of the beginning of the fall term at Washington State University. The effect of a new school year in other areas of the state which have major colleges or universities was not as pronounced because they have larger and more diversified economies than Whitman County.

Lumber Counties at 9.8 Percent Unemployment

While rates were up in most areas, they continued to range widely, reflecting trends in local industries. Compared with the statewide average of 7.1 percent, Eastern Washington's rate at 8.0 percent was nearly a full point higher because of the seasonal nature of its agriculture and food processing industries. The 14 counties whose major source of manufacturing jobs is the lumber industry had a combined rate of 9.8 percent in October, still at a recessionary level because of the severe cutbacks in lumber employment. On the other end of the scale, unemployment in the Seattle and Bremerton metropolitan areas at 5.9 percent remained well below the statewide (7.1) and national (6.6) rates. Seattle, of course, benefits from its expanding aerospace industry and more diversified economy, while Bremerton owes its low rates to the presence of major Navy installations which dominate its economy.


STATE TOTAL EMPLOYMENT

JANUARY 1981-OCTOBER 1986


STATE TOTAL UNEMPLOYMENT

JANUARY 1981-OCTOBER 1986

+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

MANUFACTURING

Shakeout To Continue In Lumber But Hope For Future Remains

Representatives of the lumber industry at the annual meeting of the Pacific Logging Congress said that the industry faces a further shakeout because of declining markets, but they also suggested that the industry could rebound by increasing productivity, cutting costs, and developing new foreign markets. George Weyerhaeuser, president and chief executive officer of The Weyerhaeuser Company, said one of the best hopes for the industry was man-made products that combine wood and other fibers and chemicals. He added that Northwest timber companies could prosper if they respond adequately to growing demand for wood products from Pacific Rim countries.

Another lumber executive said he did not expect the need for lumber to grow because the demand for new homes from the "baby boom" generation is probably over. He also said that the tariff on Canadian lumber will result in intensified competition for the United States in foreign lumber markets from Canada.

Pay Cuts Result In Strike

About 200 workers at the Pope and Talbot lumber mill in Port Gamble went on strike in early November when wages and benefits were cut about $3 an hour, five paid holidays eliminated, vacation time reduced, and bonuses for senior employees eliminated. The firm's union employees rejected the latest contract proposal by a margin of 141 to 27.

Negotiations On Lumber Tariff Still Underway

In response to the 15 percent duty imposed on Canadian lumber imported into the United States, the Canadian government has proposed raising the price of its lumber exported to this country by 15 percent. This would keep an estimated $600 million in Canada. Settlement of the dispute, however, would require the approval of major U.S. lumber producers. The coalition for Fair Lumber Imports, which represents many major U.S. producers, however, believes that it can get duties above 20 percent on Canadian softwood imports. The U.S. Department of Commerce will make its final determination on the matter December 30 unless an agreement is worked out between U.S. lumber firms and Canada before that time.

Japan to Limit Exports

In negotiations with the Reagan administration, Japan has agreed to limit the growth of textiles and clothing shipments to the United States to 0.8 percent annually through 1989. Japanese textile imports rose 17 percent in the first nine months of this year, and U.S. trade officials said that Japan would have to cut back into next year to reach the 0.8 percent limit, but industry sources disputed that. A spokesman for a textile industry trade association said that the agreement contained a major loophole; it will not stop goods from being shipped from Korea through Japan.

Another agreement is expected to be reached with Japan to limit imports of machine tools to the U.S. Foreign machine tools now account for 46 percent of the U.S. market. Agreements were also near with West Germany and Taiwan. Japan, however, accounts for 49 percent of machine tool imports and would limit its shipments to the 1981 level.

Help For Dislocated Workers

The U.S. Department of Labor announced in November that it would provide $625,000 to assist dislocated workers in Washington State who were displaced because of plant closures and mass layoffs. The State Employment Security Department will receive $225,000 of that amount to provide assistance to up to 75 workers who lost jobs when the Western Gear Machinery Plant in Everett closed. The workers will receive career assessment and evaluation, training, relocation assistance and supportive services.

Supportive services include reimbursement for transportation, health care, temporary shelter, and child care.

The Department will also receive $400,000 to assist up to 330 electronic, primary metals, textile and food product workers involved in a number of plant closures in Eastern Washington. Included are former workers of Key Tronics in Newport, Kaiser and Square D in Spokane, All Seasons Apparel in Wenatchee and Associated Grocers in Yakima.

Boeing Engineers Accept New Contract

The Seattle Professional Engineering Association, representing 24,000 Boeing employees, accepted a new three-year contract with a 55 percent favorable vote of its members in November. The contract provides no general wage increase, but provides for productivity bonuses, merit payments and cost-of-living increases higher than the current rate of inflation. A similar contract was rejected by Boeing engineers in Witchita, Kansas.

New Contracts

In early November The Boeing Company announced orders for new jetliners valued at over $165 million from Cathay Pacific Airways in Hong Kong and Southwest Airlines based in Dallas. The Cathay Pacific order was for a 747-300 jumbo jet to be delivered in March 1988. These planes have an average cost of about $115 million. Cathay also signed an option to purchase a second 747-300. Southwest Airlines ordered two 737-300 twin engine jets to be delivered in June 1988. These planes cost an average of $26 million each.

Labor Disputes Hit Shipyards

Efforts of shipyards to reduce labor costs sparked labor disputes in November. A labor-management dispute involved about 900 Lockheed Shipbuilding workers. Todd Shipyards said it would impose its latest contract offer on union employees December 1. The offer calls for pay cuts but provides for profit-sharing. The workers rejected the proposal by a vote of 684 to 24. Meanwhile five smaller shipyards building fishing boats were advertising for workers to replace about 450 strikers.

Tacoma Boatbuilding workers are considering a new contract offer which would cut wages by about $3 an hour. The company, which is in bankruptcy proceedings, said it needs lower labor costs to attract new business. The firm's two remaining major projects are nearing completion. It has bid on several contracts based on a tentative wage agreement reached with local union leaders.

High-Tech Workers Face Layoff In Spokane

Instrumentation Laboratory in Spokane with about 145 employers will reduce employment to around 125 by the beginning of the year and may eventually phase the Spokane plant out entirely. The parent company wants to centralize research and manufacturing work at another facility in Massachusetts.

Twenty workers involved in research and development will be affected by the initial cutback. The company will continue to manufacture its blood chemistry analyzer in Spokane, but the plant could be closed when that device becomes outdated and production is stopped. The parent company, however, said that the Spokane plant could continue to operate after the analyzer manufacturing is discontinued, but that would depend on developing a new mission for the plant. A steering committee is considering possible alternative missions.

Itron Corporation, also of Spokane, announced the layoff of 25 of its 450 employees in November. The company president cited lower orders than anticipated because of the general weakness in the electronics industry.

Coming and Going

Northwest Composites, a division of C&D Plastics, will begin manufacturing aerospace products in a plant near Marysville next year. The firm expects to employ 200 to 300 workers within two years. On the negative side, Commonwealth Aluminum will close its smelter in Goldendale (Klickitat County) at the close of the year, ending the jobs of 600 workers. The depressed lumber industry, unfortunately is the only other major source of manufacturing jobs in the area, and unemployment in the county is already well above the statewide average, 8.4 versus 7.1 percent.

NONMANUFACTURING INDUSTRIES

Construction employment, which fell 1,400 in October, will continue to decline until weather conditions begin to improve in February or March. The outlook in the building trades for further growth next year is not optimistic because of the recent downward trend in housing starts. Nationally, housing starts fell to a seasonally adjusted annual rate of 1,648,000 units in October, down 7.6 percent from a year ago and the lowest level in 20 months. A major factor in the decline has been a reduction in apartment construction, which has resulted from overbuilding and changes in the new tax law that eliminate many shelter incentives. The U.S. Commerce Department expects the slow pace in homebuilding to continue for several months. Many analysts, however, are not disturbed by the recent trend. Some feel housing starts are at a temporary low point, while others believe they have dropped to a more sustainable level; the decline in recent months may prevent a sharp drop later. Housing starts in 1986 are expected to total between 1,800,000 and 1,850,000 units, up from 1,741,800 units in 1985. Many housing economists are forecasting a drop to 1,650,000 or 1,600,000 in 1987 largely because of an expected slowdown in apartment construction.

Retail Jobs Down As Tourist Season Ends

The drop of 4,000 in retail trade in October was large but not surprising following the end of the summer tourist season and the conclusion of fairs for the year. Expo 86 in Vancouver, B.C. boosted both the trade and service industries in Washington State this year. According to the state Tourism Development Division, Expo 86 extended the state's own tourist season by ten weeks. Business was especially brisk this summer along the I-5 corridor and at the Seattle-Tacoma Airport because of tourists on their way to Expo 86. Domestic arrivals at the airport were up 20 percent and international arrivals rose 13 percent, well above the average gain nationally. State park attendance was up ten percent and attendance at other tourist attractions rose 16 percent. Highway traffic was estimated to have increased eight percent.

Sleigh Bells Ring

In contrast to the 4,000 drop in retail trade in October, employment at retail outlets will jump 8,000 to 10,000 between October and December as thousands of temporary clerks are hired to serve holiday shoppers. These jobs will do little to lower unemployment because most of these jobs will be filled by secondary wage earners and not workers laid off because of seasonal factors in lumber, construction and other goods-producing industries. Nonetheless, the holiday jobs will give the economy a lift.

Shortage of Young Workers

At a time when unemployment is over seven percent, it seems ludicrous to talk of labor shortages, but a shortage is developing for teenage workers who fill many of the low-paid jobs in the retail trade and service industries. The number of teenagers has been declining for several years nationally as well as in this state because of low birth rates in the late 1960s and will decline even more sharply in the next few years. Between 1982 and 1987 the number of youth aged 16-19 in Washington State is expected to drop 11,155, or four percent. Between 1987 and 1992, however, their population may fall 31,074 or 12 percent.

To combat the shortage, the National Restaurant Association, the American Hotel and Motel Association and other industry groups have launched a compaign to attract more waiters, cooks and maids. The promotion will use a videotape and other materials to improve the image of these jobs and stress rapid job advancement. Some employers are now using senior citizens and disabled workers to help full the gap.

NATIONAL CONTEXT

National economic indicators continue to reflect slow growth in the economy, and many economists anticipate more of the same. While there are no signs of a recession, growth sufficient to reduce unemployment further seems unlikely over the next several months. Industrial production has shown little change recently and is still below its January 1986 level despite the apparent leveling of the trade deficit. The outlook for housing and consumer spending is not favorable either, and they provided the underpinning for the economic growth this year.

Increase in Consumer Spending to Taper Off

Consumer spending rose considerably in the last year, but the growth rate is not sustainable. Personal consumption expenditures jumped 6.4 percent between September 1985 and 1986, while disposable personal income rose 5.2 percent. As could be expected the savings rate has declined sharply while debt has soared. Consumer installment debt as a percentage of disposable income is at a record 19.4 percent. Moreover, two factors which fueled consumer spending so far this year have largely played out. The sharp decline in oil prices earlier this year is estimated to have increased spendable income by $28 billion in the U.S. Unless oil prices drop sharply again, which is unlikely, it will not provide any further additions to discretionary income. Another one time addition to spendable income in 1986 was mortgage refinancing, which lowered monthly payments for thousands of home owners. Most of this refinancing, of course, has already been accomplished and there will be little further increase in discretionary income because of it unless there is another sharp drop in interest rates.

Leading Indicators Up

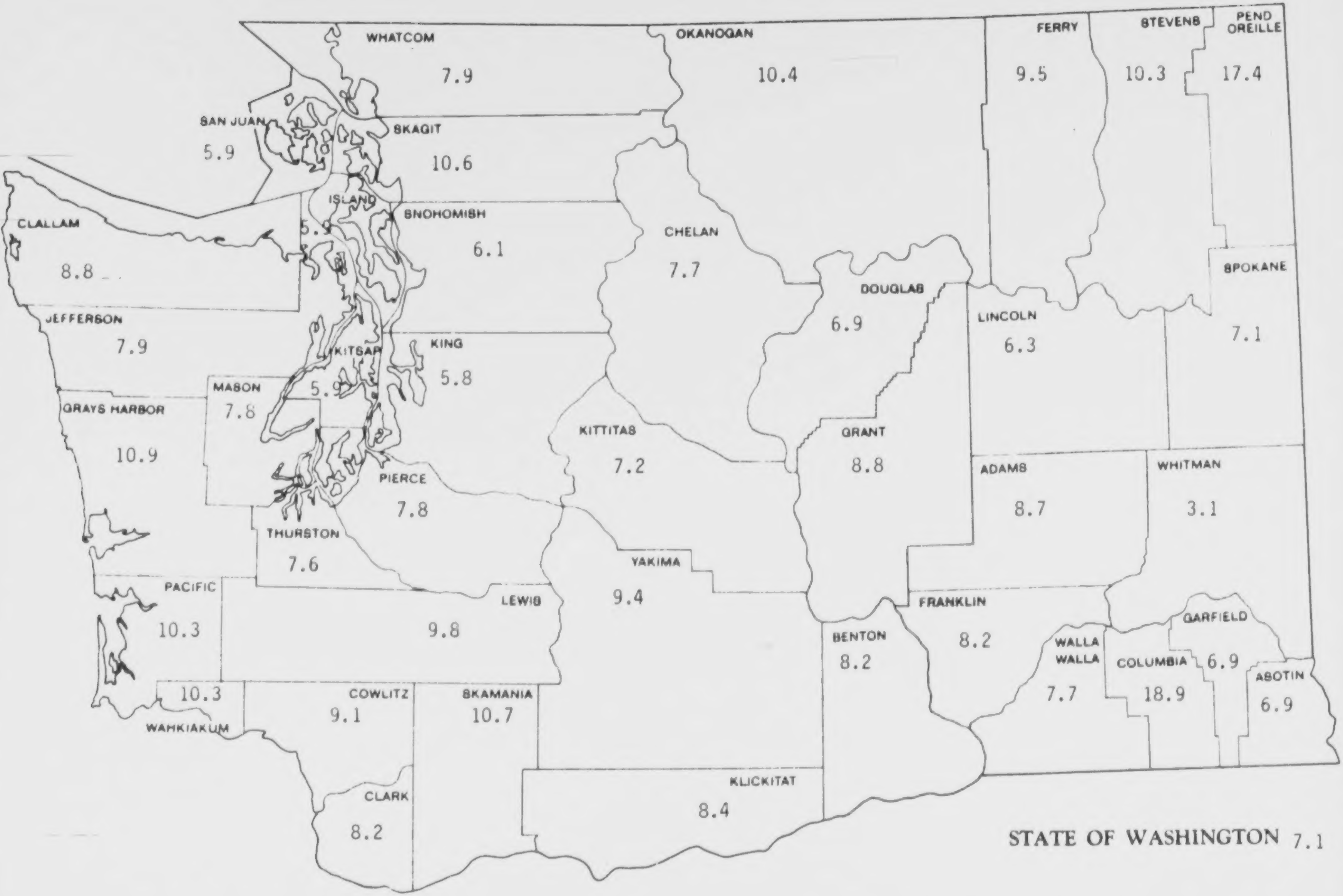
On the positive side, the Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose 0.6 percent in October to post its largest gain since a 1.0 percent increase in July. Some analysts suggested the rise may have overstated the economies strength. The gain in October partly reflected a jump in sensitive material prices, especially waste paper, raw cotton and aluminum scrap. Without the increase in material prices, the index would have went up only 0.3 percent. Analysts also noted that the rise was largely in financial indicators, while indicators of manufacturing activity were still weak. The Commerce Department Secretary was more optimistic saying that a "sharp improvement in initial claims for unemployment insurance should mean faster growth in employment."

Besides the drop in initial claims and increase in sensitive material prices, the index was boosted by an increase in the money supply, an expansion in outstanding credit, and slower business deliveries (suggesting larger order backlogs). Leading indicators which fell in October were the average work-week, orders for consumer goods, business formations, plant and equipment orders, building permits, and stock market prices.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Oct. 1986	Sep. 1986	Oct. 1985	Oct. 1986	Sep. 1986
U.S. City Average	330.5	330.2	325.5	+1.5	+1.8
Seattle-Everett	N/A	326.3	N/A	N/A	+1.4


WHATCOM
7.9
OKANOGAN
10.4
FERRY
9.5
STEVENS
10.3
PEND OREILLE
17.4
SAN JUAN
5.9
SKAGIT
10.6
ISLAND
5.9
CLALLAM
8.8
SNOHOMISH
6.1
CHELAN
7.7
DOUGLAS
6.9
SPOKANE
7.1
LINCOLN
6.3
JEFFERSON
7.9
KING
5.8
KITSAP
5.9
MASON
7.8
GRAYS HARBOR
10.9
KITTITAS
7.2
GRANT
8.8
ADAMS
8.7
WHITMAN
3.1
PIERCE
7.8
THURSTON
7.6
YAKIMA
9.4
PACIFIC
10.3
LEWIS
9.8
FRANKLIN
8.2
BENTON
8.2
GARFIELD
6.9
WALLA WALLA
7.7
COLUMBIA
18.9
ASOTIN
6.9
10.3
WAHKIAKUM
COWLITZ
9.1
SKAMANIA
10.7
KLICKITAT
8.4
CLARK
8.2
STATE OF WASHINGTON 7.1

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Oct. 1986 (Prel.)	Sep. 1986 (Rev.)	Oct. 1985 (Rev.)	Sep. 1985 (Rev.)	Numerical Change	
					Sep. 86 to Oct. 86	Oct. 85 to Oct. 86
TOTAL NONAG. WAGE AND SALARY.	1,795.8	1,794.1	1,745.1	1,741.5	+1.7	+50.7
TOTAL MANUFACTURING.........	303.4	305.0	301.8	302.2	-1.6	+1.6
Durable Goods..............	210.5	210.5	207.8	207.2	-0.0	+2.7
Lumber & Wood Products....	37.9	38.1	38.8	39.1	-0.2	-0.9
Furniture & Fixtures......	3.9	3.9	3.8	3.8	0.0	+0.1
Stone Clay & Glass Prod...	6.4	6.5	6.8	6.8	-0.1	-0.4
Primary Metal Industries..	11.9	11.6 3/	12.9	12.8	+0.3	-1.0
Aluminum Prod.& Proc.....	7.9	7.5 3/	8.6	8.6	+0.4	-0.7
Fabricated Metal Prod.....	9.9	10.1	10.1	10.2	-0.2	-0.2
Machinery.................	27.1	27.5	29.1	28.8	-0.4	-2.0
Machinery exc. Elect.....	15.0	15.3	17.0	16.5	-0.3	-2.0
Electrical & Electronic..	12.1	12.2	12.1	12.3	-0.1	0.0
Transportation Equipment..	98.9	98.3	91.5	90.8	+0.6	+7.4
Aerospace................	86.9	86.5	78.6	77.9	+0.4	+8.3
Other Transp. Equip......	12.0	11.8	12.9	12.9	+0.2	-0.9
Instruments & Rel. Prod...	9.9	10.1	10.6	10.7	-0.2	-0.7
Misc. Manufacturing Ind...	4.6	4.4	4.2	4.2	+0.2	+0.4
Nondurable Goods...........	92.9	94.5	94.0	95.0	-1.6	-1.1
Food & Kindred Products...	32.9	34.6	34.2	35.2	-1.7	-1.3
Canned & Preserved Foods.	13.4	15.0	14.6	16.3	-1.6	-1.2
Apparel & Other Text.Prod.	6.7	6.7	6.5	6.3	0.0	+0.2
Paper & Allied Products...	16.3	16.6	16.3	16.5	-0.3	0.0
Printing & Publishing.....	17.8	17.5	17.7	17.7	+0.3	+0.1
Chemicals & Allied Prod...	11.5	11.5	11.7	11.6	0.0	-0.2
Other Nondurable Goods 2/.	7.7	7.6	7.6	7.7	+0.1	+0.1
MINING & QUARRYING.........	2.8	2.9	2.9	3.0	-0.1	-0.1
CONSTRUCTION................	89.2	90.6	85.6	87.9	-1.4	+3.6
TRANS.& PUBLIC UTILITIES....	95.9	97.6	96.0	97.2	-1.7	-0.1
WHOLESALE & RETAIL TRADE....	444.7	449.4	428.5	432.4	-4.7	+16.2
Wholesale Trade...........	110.5	111.2	107.9	109.5	-0.7	+2.6
Retail Trade..............	334.2	338.2	320.6	322.9	-4.0	+13.6
FIN. INS. & REAL ESTATE.....	105.5	106.0	100.6	100.5	-0.5	+4.9
SERVICES....................	398.7	399.3	378.4	382.5	-0.6	+20.3
Health Services	122.1	121.7	118.3	118.4	+0.4	+3.8
GOVERNMENT..................	355.6	343.3	351.3	335.8	+12.3	+4.3
Federal...................	68.5	69.5	70.1	70.8	-1.0	-1.6
State & Local.............	287.1	273.8 3/	281.2	265.0 3/	+13.3	+5.9
Education................	154.6	137.8 3/	151.0	131.2 3/	+16.8	+3.6
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	0.0	0.5	0.0	3.7	-0.5	0.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 12/2/86
Benchmark: 1985

(Not Seasonally Adjusted)

	OCTOBER 1986 PRELIMINARY 1/				SEPTEMBER 1986 REVISED 1/				OCTOBER 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,242,300	2,083,800	158,500	7.1	2,228,500	2,077,300	151,200	6.8	2,150,600	1,998,100	152,500	7.1
Bellingham MSA	55,900	51,500	4,400	7.9	55,800	51,500	4,300	7.7	54,100	50,000	4,100	7.6
Bremerton MSA	73,500	69,200	4,300	5.9	72,300	68,200	4,100	5.7	70,000	66,200	3,800	5.4
Olympia MSA	71,100	65,700	5,400	7.6	70,000	65,000	5,000	7.1	66,800	61,700	5,100	7.6
Seattle PMSA	991,800	933,500	58,300	5.9	979,100	923,000	56,100	5.7	936,000	879,000	57,000	6.1
King County 2/	775,700	730,500	45,200	5.8	765,600	722,200	43,400	5.7	731,700	687,800	43,900	6.0
Snohomish County 2/	216,200	203,100	13,100	6.1	213,400	200,800	12,600	5.9	204,300	191,200	13,100	6.4
Spokane MSA	165,700	154,000	11,700	7.1	163,500	152,400	11,100	6.8	164,400	152,800	11,600	7.1
Tacoma PMSA	234,000	215,700	18,300	7.8	231,300	213,900	17,400	7.5	224,600	208,100	16,500	7.3
Tri-Cities MSA	69,700	64,000	5,700	8.2	71,100	65,600	5,500	7.7	68,400	63,200	5,200	7.6
Benton County 2/	52,600	48,300	4,300	8.2	53,800	49,600	4,200	7.8	51,800	47,700	4,100	7.9
Franklin County 2/	17,100	15,700	1,400	8.2	17,400	16,100	1,300	7.5	16,700	15,500	1,200	7.2
Vancouver PMSA	106,100	97,400	8,700	8.2	106,200	98,300	7,900	7.4	102,700	94,700	8,000	7.8
Yakima MSA	95,500	86,500	9,000	9.4	95,900	87,500	8,400	8.8	91,500	81,900	9,600	10.5
Adams	7,350	6,710	640	8.7	7,350	6,800	550	7.5	6,630	6,160	470	7.1
Asotin	8,450	7,870	580	6.9	8,330	7,790	540	6.5	8,320	7,570	750	9.0
Clallam	21,760	19,840	1,920	8.8	22,560	20,700	1,860	8.2	20,750	18,890	1,860	9.0
Columbia	1,590	1,290	300	18.9	1,550	1,330	220	14.2	1,600	1,310	290	18.1
Cowlitz	34,650	31,500	3,150	9.1	34,900	31,730	3,170	9.1	34,440	30,730	3,710	10.8
Ferry	2,750	2,490	260	9.5	2,800	2,550	250	8.9	2,540	2,290	250	9.8
Garfield	1,160	1,080	80	6.9	1,140	1,080	60	5.3	1,140	1,080	60	5.3
Grant	25,240	23,020	2,220	8.8	26,190	24,120	2,070	7.9	23,360	21,480	1,880	8.0
Grays Harbor	26,530	23,640	2,890	10.9	26,210	23,450	2,760	10.5	26,190	23,510	2,680	10.2
Island	17,040	16,040	1,000	5.9	17,090	16,150	940	5.5	16,550	15,560	990	6.0
Jefferson	7,320	6,740	580	7.9	7,380	6,880	500	6.8	6,930	6,450	480	6.9
Kittitas	12,130	11,260	870	7.2	11,420	10,620	800	7.0	11,870	11,050	820	6.9
Klickitat	8,650	7,920	730	8.4	8,800	8,040	760	8.6	8,510	7,860	650	7.6
Lewis	24,540	22,140	2,400	9.8	24,140	21,900	2,240	9.3	24,510	21,920	2,590	10.6
Lincoln	4,410	4,130	280	6.3	4,500	4,260	240	5.3	4,390	4,170	220	5.0
Mason	13,580	12,520	1,060	7.8	13,260	12,220	1,040	7.8	12,630	11,790	840	6.7
Okanogan	15,630	14,000	1,630	10.4	15,740	14,110	1,630	10.4	15,060	13,530	1,530	10.2
Pacific	6,990	6,270	720	10.3	7,060	6,410	650	9.2	7,150	6,360	790	11.0
Pend Oreille	3,340	2,760	580	17.4	3,430	2,820	610	17.8	3,640	3,140	500	13.7
San Juan	4,250	4,000	250	5.9	5,000	4,810	190	3.8	4,700	4,470	230	4.9
Skagit	31,250	27,930	3,320	10.6	31,880	28,780	3,100	9.7	29,780	26,670	3,110	10.4
Skamania	2,340	2,090	250	10.7	2,450	2,120	330	13.5	2,320	2,040	280	12.1
Stevens	11,610	10,410	1,200	10.3	11,820	10,670	1,150	9.7	11,410	10,190	1,220	10.7
Wahkiakum	1,260	1,130	130	10.3	1,240	1,110	130	10.5	1,280	1,140	140	10.9
Walla Walla	23,480	21,680	1,800	7.7	24,070	22,420	1,650	6.9	24,440	22,800	1,640	6.7
Wenatchee Labor Area	43,560	40,300	3,260	7.5	46,430	43,070	3,360	7.2	43,280	40,290	2,990	6.9
Chelan County 2/	29,380	27,110	2,270	7.7	31,320	28,970	2,350	7.5	29,240	27,100	2,140	7.3
Douglas County 2/	14,170	13,190	980	6.9	15,120	14,100	1,020	6.7	14,030	13,190	840	6.0
Whitman	18,100	17,530	570	3.1	16,540	15,940	600	3.6	18,630	18,010	620	3.3

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

DECEMBER 2, 1986
Benchmark: 1985

(Not Seasonally Adjusted)

	OCTOBER 1986 PRELIMINARY 1/				SEPTEMBER 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,260,200	2,092,600	167,600	7.4	2,255,700	2,095,800	159,900	7.1
Bellingham MSA	56,300	51,700	4,600	8.2	56,500	52,000	4,500	8.0
Bremerton MSA	74,100	69,500	4,600	6.2	73,200	68,800	4,400	6.0
Olympia MSA	71,700	66,000	5,700	7.9	70,900	65,600	5,300	7.5
Seattle PMSA	999,200	937,500	61,700	6.2	990,500	931,200	59,300	6.0
King County 2/	781,300	733,500	47,800	6.1	774,500	728,600	45,900	5.9
Snohomish County 2/	217,700	203,900	13,800	6.3	216,000	202,600	13,400	6.2
Spokane MSA	166,900	154,600	12,300	7.4	165,600	153,800	11,800	7.1
Tacoma MSA	236,000	216,600	19,400	8.2	234,200	215,800	18,400	7.9
Tri-Cities MSA	70,300	64,200	6,100	8.7	72,000	66,200	5,800	8.1
Benton County 2/	53,100	48,500	4,600	8.7	54,400	50,000	4,400	8.1
Franklin County 2/	17,200	15,700	1,500	8.7	17,600	16,200	1,400	8.0
Vancouver PMSA	107,000	97,800	9,200	8.6	107,500	99,200	8,300	7.7
Yakima MSA	96,400	86,900	9,500	9.9	97,100	88,200	8,900	9.2
Adams	7,400	6,730	670	9.1	7,440	6,860	580	7.8
Asotin	8,520	7,900	620	7.3	8,430	7,860	570	6.8
Clallam	21,950	19,920	2,030	9.2	22,840	20,880	1,960	8.6
Columbia	1,610	1,290	320	19.9	1,580	1,340	240	15.2
Cowlitz	34,970	31,640	3,330	9.5	35,370	32,010	3,360	9.5
Ferry	2,770	2,500	270	9.7	2,830	2,570	260	9.2
Garfield	1,170	1,090	80	6.8	1,150	1,090	60	5.2
Grant	25,460	23,120	2,340	9.2	26,520	24,330	2,190	8.3
Grays Harbor	26,800	23,740	3,060	11.4	26,580	23,660	2,920	11.0
Island	17,150	16,100	1,050	6.1	17,290	16,290	1,000	5.8
Jefferson	7,370	6,760	610	8.3	7,470	6,940	530	7.1
Kittitas	12,230	11,310	920	7.5	11,560	10,710	850	7.4
Klickitat	8,720	7,950	770	8.8	8,910	8,110	800	9.0
Lewis	24,770	22,230	2,540	10.3	24,460	22,090	2,370	9.7
Lincoln	4,440	4,140	300	6.8	4,550	4,300	250	5.5
Mason	13,690	12,570	1,120	8.2	13,420	12,320	1,100	8.2
Okanogan	15,790	14,060	1,730	11.0	15,960	14,240	1,720	10.8
Pacific	7,060	6,300	760	10.8	7,160	6,470	690	9.6
Pend Oreille	3,390	2,780	610	18.0	3,500	2,850	650	18.6
San Juan	4,280	4,020	260	6.1	5,050	4,850	200	4.0
Skagit	31,570	28,050	3,520	11.1	32,310	29,040	3,270	10.1
Skamania	2,370	2,100	270	11.4	2,490	2,140	350	14.1
Stevens	11,720	10,450	1,270	10.8	11,980	10,760	1,220	10.2
Wahkiakum	1,280	1,140	140	10.9	1,260	1,120	140	11.1
Walla Walla	23,670	21,770	1,900	8.0	24,370	22,620	1,750	7.2
Wenatchee Labor Area	43,920	40,470	3,450	7.9	47,010	43,450	3,560	7.6
Chelan County 2/	29,640	27,230	2,410	8.1	31,710	29,230	2,480	7.8
Douglas County 2/	14,290	13,250	1,040	7.3	15,300	14,220	1,080	7.1
Whitman	18,220	17,610	610	3.3	16,710	16,080	630	3.8

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	October 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Oct-86	Sep-86	Oct-85	Oct-86	Sep-86	Oct-85	Oct-86	Sep-86	Oct-85
TOTAL MANUFACTURING INDUSTRIES*	185.200	$460.55	$461.36	$458.96	39.6	39.5	39.6	$11.63	$11.68	$11.59
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33.400	$416.03	$407.63	$451.63	38.7	37.5	38.9	$10.75	$10.87	$11.61
Primary Metal Industries	9.300	$515.84	$551.20	$508.23	41.3	42.4	40.4	$12.49	$13.00	$12.58
Fabricated Metal Products	7.700	$447.54	$442.96	$431.27	39.5	39.2	39.1	$11.33	$11.30	$11.03
Machinery	15.500	$372.40	$387.77	$386.10	39.2	40.1	39.6	$9.50	$9.67	$9.75
Food and Kindred Products	25.100	$348.75	$342.80	$349.91	37.5	36.9	38.2	$9.30	$9.29	$9.16
Chemical and Allied Products	5.100	$610.70	$578.24	$602.75	41.8	40.1	42.9	$14.61	$14.42	$14.05
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	67.200	$598.88	$591.63	$588.95	37.5	37.0	36.4	$15.97	$15.99	$16.18
Wholesale and Retail Trade (does not include eating and drinking establishments)	275.200	$317.98	$323.61	$323.27	33.9	34.1	34.5	$9.38	$9.49	$9.37

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

1/30/87 S8340-3

Washington LABOR MARKET

December 1986

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Many Seasonal Jobs End

Weather conditions deteriorated in November, and employment declined sharply in several industries. Total employment in the state dropped 38,600 between October and November, but the loss was in line with past seasonal trends. The largest cutback occurred in agriculture with most of the reduction resulting from the completion of the apple harvest in Eastern Washington. Nonagricultural wage and salary employment dropped 10,200 over the month, but was up 45,100, or 2.6 percent, over the year. The largest reductions in nonfarm payrolls were recorded in construction, logging, food processing and tourist-related businesses such as amusements and hotels-motels. As usual for November, however, the losses were partially offset by the hiring of extra sales clerks and related workers for the holiday shopping period, and by further growth in public education employment.

Volume 10, Number 12

	Nov. 1986* (Prel.)	Oct. 1986* (Rev.)	Nov. 1985
Civilian Labor Force	2,216,900	2,242,300	2,112,200
Total Employment	2,043,700	2,082,300	1,948,200
Total Unemployment	173,200	160,000	164,000
State Unemployment Rate	7.8	7.1	7.8
National Civilian Unemployment Rate	6.6	6.6	6.7

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Canneries Cut Workforce

Manufacturing employment fell 4,700 between October and November with most of the reduction in food products (off 3,100) where plants canning and freezing late vegetables had completed their major runs for the year. Lumber and wood products employment was 1,300 lower in November; the largest decline was in logging which cut back because of deteriorating weather conditions. Aerospace countered the overall trend with a gain of 700 in November.

Outdoor Projects Yield To Weather

In the nonmanufacturing industries, construction jobs fell 5,000 as cold, wet weather limited outdoor work. Services payrolls were down 2,900 in November with seasonal cutbacks at hotels-motels and in amusements, especially racing and golf course employment. Cushioning these losses were gains in retail trade (up 3,300) and public education (up 2,400). Retail stores were hiring for the holiday season, while public schools continued to fill staff vacancies for the new school year.

Unemployment Up

In response to the seasonal job losses, unemployment in the state rose from 160,000 and 7.1 percent of the labor force in October to 173,200 and 7.8 percent in November. The increase was about normal for this time of the year. Rates for both October and November were identical with their year-earlier rates. After seasonal adjustment, the jobless rate edged up from 7.8 to 7.9 percent over the month.

While numerically large, the 13,200 increase in unemployment over the month was considerably less than the drop in employment of 38,600. This too is normal in November. Many of those completing jobs in the apple harvest and in other agricultural work and to a lesser extent in food processing were migrant workers who returned to their home states. In addition, many locals holding these jobs dropped out of the job market to return to school or household duties.

High Unemployment In Eastern Washington And Lumber Areas

Unemployment rose in all areas of the state in November, but the largest increases were east of the Cascades and in the 14 counties where lumber is the major source of manufacturing jobs. Compared with the seven-tenths of a point increase in the statewide rate, the rate in Eastern Washington rose 1.8 percentage points, from 8.1 to 9.9 percent. The greater increase in the eastern counties reflected the end of the apple harvest, reductions in other farm work, the winding down of food processing and the effect of the relatively harsher fall weather in those areas on construction and other outdoor activities. Total employment in Eastern Washington fell 6.2 percent in November compared with a drop of less than one percent in Western Washington. Typical of the apple producing areas, the jobless rate in Yakima County rose from 9.4 percent in October to 12.8 percent in November; Okanogan County's rate jumped from 10.7 to 13.8 percent, and the rate in the Wenatchee area increased from 7.6 to 9.3 percent. In all of these areas, however, the rate was approximately one point below corresponding year-earlier levels because of the larger apple crop this year. The 1986 harvest was 44 percent greater than in 1985 when frost damage in the spring reduced yields substantially. The large 1986 crop will support more employment in apple packing, shipping and related work in the coming winter and spring months than was the case in the previous year.

In the lumber counties, the jobless rate jumped from 10.0 to 11.5 percent over the month as employment fell approximately four percent. Typical of these areas were Grays Harbor County where the unemployment rate rose from 11.1 to 12.7 percent, and Pacific County which saw its rate jump from 10.4 to 12.6 percent. In Mason County the rise in unemployment (7.9 to 8.4 percent) was more moderate as temporary jobs harvesting Christmas trees offset cutbacks in the lumber industry.

Seattle's Jobless Rate A Low 6.1 Percent

Unemployment also increased more moderately in major metropolitan areas where the hiring of temporary holiday sales workers helped offset the effect of cutbacks in construction and other industries. In the Seattle Metropolitan Area the rate edged up from 5.9 to 6.1 percent and remained well below the national rate of 6.6 percent; the rate in the Tacoma Metropolitan Area rose one half point to 8.4, while Spokane's rate moved up from 7.0 to 7.9 percent.

Moderate Growth Forecast For 1987

Most economic forecasts for 1987 call for moderate growth. There are few forecasts of a recession. The Conference Board, an industry-supported nonprofit economic research institute, expects little change in overall labor market conditions for the nation in 1987. They predict labor force growth will match the number of new jobs created, and that the national unemployment rate will continue at around seven percent as a result.

Analysts for the Conference Board anticipate uneven growth, however, with 90 percent of the new jobs in the service sector. And while they expect thousands of jobs to be eliminated in some industries and regions, the losses will be offset by greater gains elsewhere. The Board also expects companies undergoing restructuring to use more temporary and part-time workers. The best employment opportunities in 1987 are predicted for the New England, mid-Atlantic, and Southeast states. Moderate improvement is expected in the Midwest despite continued problems in agriculture, but no improvement is anticipated in the Southwest which has been hard hit by the drop in oil prices. Their forecast for the West is mixed, with strong growth in business services but little overall growth in high-tech industries.

Bank Forecasts Moderate Growth In 1987

Closer to home, the Economic Research Department of Rainier Bank is forecasting more broadly-based growth in Washington State in 1987 than in 1986 but expects the overall pace of the expansion to ease, especially in the first quarter. Little change in the unemployment rate is anticipated between 1986 and 1987.

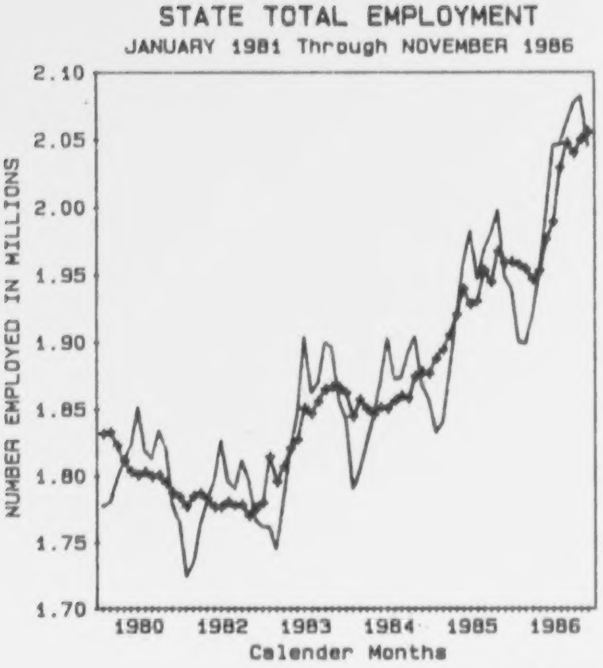
Dennis Fusco, Rainier Bank's regional economist, anticipates that the removal of the investment tax credit and changes in depreciation allowances in 1987 will cut business spending early in the year. Lower multi-family housing construction is also likely because of the new tax law. Single family starts, on the other hand, will remain strong because of a continuation of the mortgage interest tax deduction and further economic growth. Tax reform will boost disposable personal income by cutting federal income tax withholding effective January 1, thus providing support to consumer expenditures.

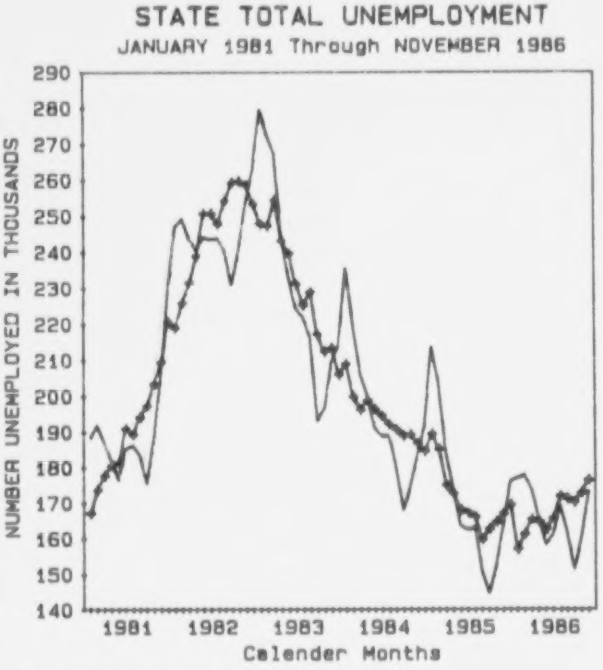
Wage and salary employment is expected to increase 37,800, or 2.2 percent, in 1987. The gain is down from 53,600, or 3.1 percent, in 1986 but is in line with long run trends. Rainier Bank expects more broadly-based growth in 1987. "Specifically, the weakened machinery/electronics/instruments sector is expected to progressively strengthen in the second half. Market adjustments have been made over the past year, and exports are looked to increase through a combination of lower dollar exchange rates and favorable trade agreements on selected items with Japan. Forest products manufacturing is assumed to be a relatively stable item in 1987. And aerospace, while not likely to repeat the strong employment buildup over the past three years, nonetheless is positioned to maintain high employment and production levels into 1990 given the huge backlog of the Boeing Company."

State Forecast Expects Slower Growth in 1987

The forecast by the Washington State Economic and Revenue Forecast Council is in general agreement with Rainier Bank's forecast for 1987. In the Council's November 1986 forecast, nonagricultural wage and salary employment expands approximately 36,000, or 2.0 percent, in 1987 compared with a gain of about 54,000, or 3.2 percent, in 1986.

Aerospace employment will continue to grow but at a slower pace. Compared with the 8,500 gain in 1986, an increase of 4,800 is forecast for 1987. Lumber jobs will edge up 500 to post a turnaround from the 1,300 drop in 1986. Construction payrolls, on the other





hand, are expected to fall 2,000 in 1987 because of a slowdown in housing starts. In 1986 construction employment rose 2,800.

Unemployment Rate To Remain Unchanged

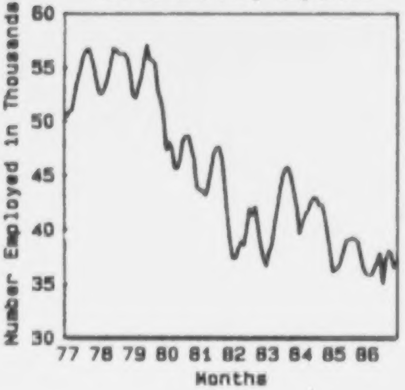
The slowdown in the aerospace employment expansion, and the cutback in construction will moderate growth in the trade and service industries. The Council expects retail trade employment to increase 11,200 in 1987 versus 15,400 in 1986, and the service industries to add 13,000 jobs in 1987, down from 15,300 in 1986. Nonetheless, employment growth in 1987 should be sufficient to prevent the jobless rate in the state from rising above its 1986 level of 7.6 percent.

MANUFACTURING INDUSTRIES

Surcharge Imposed On Canadian Lumber

The U.S. and Canadian governments reached an agreement in late December on a 15 percent tax on the shipment of Canadian softwood lumber to the United States. The tax would be assessed by the Canadian government, replacing the 15 percent duty imposed on Canadian lumber in October by the U.S. Department of Commerce. The tax is designed to counter the effect of low fees charged by the Canadian government for standing timber. According to lumber producers in this country, the low cost timber provided Canadian mills with a subsidy which gave them a price advantage over U.S. producers. As a result of the low-cost timber and the decline in the value of the Canadian dollar in relation to the U.S. dollar in recent years, Canadian lumber producers have captured 32 percent of the U.S. market for softwood lumber.

LUMBER AND WOOD PRODUCTS
Employment Levels
Not Seasonally Adjusted



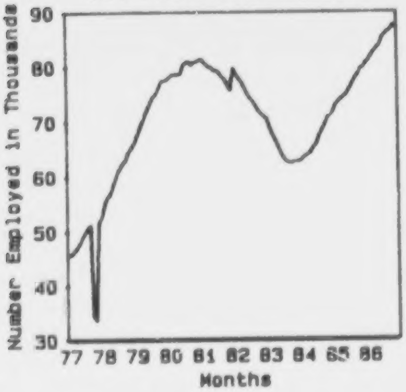
While the surcharge will help U.S. mills regain more of the domestic market for lumber, the tax will also have negative effects on the U.S. economy. Some U.S. homebuilders estimate that the tax will raise the price of lumber, and that the cost of a typical home could increase $1,000 as a result. The tax may also result in more competition from Canadian mills in export markets since the tax only applies to Canadian lumber shipped to the U.S.

Aerospace Still Shines

News concerning the state's aerospace industry continued to brighten the long-term outlook as the year drew to a close. The Boeing Company announced in mid-December that airliner orders so far in 1986 totaled 336 with a value of about $19 billion. For all of 1985, the company sold 390 airliners with a value of $14.9 billion. Orders in 1985 included more 737s which are some of Boeing's least expensive models.

Competition Heats Up

Competition in selling long-range jumbo jets after 1990 will increase because of McDonnel Douglas Corp's decision to build a new airliner. The new plane named



AEROSPACE
Employment Levels
Not Seasonally Adjusted

the MD-11 will be able to carry between 276 and 405 passengers up to 6,600 nautical miles. McDonnell Douglas already has orders for 52 of the aircraft valued at over $5 billion and options for 40 more for more than $4 billion. Airbus, the European competitor, plans to have a new jumbo jet available in 1992, but the governments which support Airbus are reluctant to finance development costs.

Boeing, which has had the wide-body market virtually to itself with the 747, will meet the competition with an updated 747 that will be able to carry up to 500 passengers as far as 7,000 nautical miles. The first of these planes will be delivered in 1988. Boeing also is selling a long range model of its 767-200, which can carry 215 passengers up to 6,600 nautical miles. The Seattle firm is considering stretching the plane to hold more passengers.

Boeing Wins Large Defense Contract

Boeing, as head of a contractor team with Goodyear Tire and Rubber Co., was awarded a $283.7 million contract by the Air Force to build prototype launcher vehicles for the Midgetman missile. If the Air Force receives authorization for the 500 missiles proposed and Boeing is chosen to build 500 launchers, the launcher contract could be worth $2.5 billion. Boeing's share of the contract could be worth $1.2 to $1.5 billion, according to a Boeing spokesman. The launcher vehicles are designed to move the missiles on highways and off-road to remote launch sites. Full production could begin in 1988 or 1989 if Congress approves. Boeing is also competing to develop the control system for the missile.

Defense Contract From Britain

Boeing was also selected by Great Britain to provide it with an airborn early warning radar system (AWACS). The system is basically a modified 707 jet aircraft loaded with electronic devices and topped with a 30-foot rotating disk called a radome. The contract is reported to include ten planes worth approximately $1.4 billion. The AWACS is also used by the U.S. and Saudi air forces.

Westinghouse Wins Hanford Contract

Westinghouse Electric Corp. was awarded a $4 billion contract by the U.S. Energy Department to run the Hanford Nuclear project for five years. Westinghouse currently shares work at the facility with Rockwell International Corp., UNC Resources Inc. and Boeing Computer Services. Under the new contract, Boeing will be Westinghouse's only sub-contractor at Hanford and will handle communications and computers. Boeing's share of the five year contract will be worth about $375 million.

Westinghouse expects to cut costs on the project, and some workers could be laid off, but the firm believes it can reduce employment sufficiently through attrition. Provided funding for Hanford projects remain relatively stable, however, Westinghouse hopes to avoid a major reduction in Hanford's workforce of 10,000.

Turmoil Continues In Aluminum Industry

Following the announcement in November that Commonwealth Aluminum Corp. would close its Goldendale plant by December 31, eliminating 600 jobs, Kaiser Aluminum and Chemical Corp. announced that it would reduce employment at its Trentwood rolling mill by about 300. Mitigating these developments, however, was news that the Vancouver aluminum smelter which was closed in the summer of 1986 would be reopened by a new firm some time in 1987. Prior to closing the Vancouver smelter employed over 400 workers.

A Kaiser spokesman said that the layoffs, which would begin after January 1, were necessary to improve the firm's competitive position. Kaiser has spent $250 million modernizing the Trentwood plant since 1980. The plant will employ 900 workers after the layoff, down from 2,200 when modernization began.

Spokane Gets More Bayliner Jobs

Bayliner Marine Corp. announced in December that it would resume production at its former Spokane plant in about two months. Bayliner moved out of that facility when it opened a new Spokane plant in 1986. The new plant now employs around 300 workers, according to news reports. The operation to be reopened would employ 30 to 40 workers initially but could provide up to 150 jobs within 18 months. The plant is expected to produce fishing boats.

More Layoffs At Itron

A spokesman for Itron Inc., an electronics manufacturer in Spokane, said that it will lay off 43 more employees in December and will cut the salaries of its remaining employees an average of ten percent. Itron laid off 25 employees in November. The layoffs and salary cuts were blamed on soft market conditions. The firm's major business is the design and manufacture of electronic data-gathering equipment for the utilities industry.

NONMANUFACTURING INDUSTRIES

Holiday Jobs Offset Seasonal Losses

The 3,300 gain in retail trade in November was the beginning of a two month holiday reprieve from the seasonal downturn which began in October with a loss of 4,100 following the end of the tourist season. Employment gains at department and apparel stores and at miscellaneous retail outlets (drug stores, discount stores, jewelry stores, gift shops, etc.) where people buy most holiday gifts and supplies were more than sufficient to offset further seasonal cutbacks at eating and drinking places and building material stores in November and will undoubtedly do so in December as well. January and February, however, will see a sharp drop in retail payrolls with the temporary jobs gone.

Retail Sales Up Moderately In November

Nationally, retail sales rose 0.5 percent from October. The increase followed two months of wide swings in retail sales because of special incentives offered by automobile manufacturers in September. Retail sales in September rose 5.6 percent, but then fell back 5.2 percent in October. The largest increases in November occurred in appliance and furniture sales. Some analysts suggested that consumers were buying big-ticket items before the end of the year in order to be able to deduct sales taxes. Sales taxes will not be deductable for federal income tax purposes after 1986. If the increase in sales did represent consumers buying sooner than they otherwise would have, it suggests lower sales in the early months of 1987.

Wholesale Trade Down Over The Month But Up From Year Ago

Wholesale trade was little affected by holiday business, and its employment dropped 900 in November. The loss occurred almost entirely at fruit and vegetable warehouses where business declined with less fresh produce coming in with most harvest activity over for the year. Employment in the industry, however, was up 2,700 over the year mainly because of a bigger apple crop this year. The larger crop, of course, will require more workers for sorting, packing and shipping throughout the fall, winter, and spring months.

Construction Down In November But Up Over The Year

Although payrolls in construction fell 5,000 in November, they remained 2,500 above their year-earlier level. The drop from November was normal for this time of the year. Work on outdoor projects slows or is suspended in the fall and winter until weather conditions improve, while the beginning of new projects is delayed until spring weather arrives.

Housing Starts Down

Housing, which had been a major factor in the expansion in construction from 1985, continues to weaken. In November, national housing starts (seasonally adjusted) fell for the sixth time in the last seven months and were at their lowest level in two years. The decline in November occurred in apartment construction; starts on single-family homes increased moderately.

Apartment construction is expected to remain at a relatively low level for several months because of high vacancy rates and the elimination of many tax-shelter incentives in the new tax law. Building permits, a barometer of future construction activity, rose in November, however, with most of the increase in the multi-family sector. This may mean that the decline in apartment construction is near an end.

Nonetheless, few analysts in the housing industry expect a quick turnaround in apartment construction. On the other hand many analysts anticipate a further decline in mortgage rates and a pickup in single-family homebuilding in early 1987.

Government Jobs Grow Slowly Over The Year

Government civilian employment rose 1,800 between October and November. Seasonal growth in public education payrolls (up 2,400) was partially offset by seasonal losses in park, forestry and public outdoor employment in general. Over the year, government payrolls rose 5,700, or 1.6 percent, well below the 2.6 percent gain for total nonfarm employment. Federal civilian employment (down 1,300) actually declined over the year because of reductions at defense establishments. State and local government employment, on the other hand, rose 7,000, including an increase of 3,700 in public education. Employment at public schools has been rising in response to growing enrollments in the primary grades. Although the fertility rate remains low, the large number of women from the "baby boom" generation has increased the number of births substantially since the mid-1970s. The number of births in the state rose from about 48,000 in 1973 to approximately 70,000 in 1982 and have remained at about that level since.

NATIONAL CONTEXT

Trade Deficit Worrisome

The trade deficit remains the major negative influence in the economy and debate continues over when it will improve. Forecasts for even moderate growth in the economy in 1987 hinge on some improvement. A smaller deficit is necessary to boost domestic production and employment, and thus, offset a probable slowdown in the growth of consumer spending and a likely decline in capital spending by business. Nonetheless, the beginning of a turnaround in the deficit was not in sight in November. While data on exports and imports for the previous three months suggested the deficit was stabilizing, the deficit in November jumped to a record $19.2 billion. That was high even by recent standards. The deficit averaged $14 billion monthly in the first ten months of the year. The increase in November largely reflected a surge in imports, from $31.4 billion in October to $37.8 billion in

November. Meanwhile, exports fell from $19.3 to 18.6 billion.

Commerce Department Optimistic

Despite the November data, the U.S. Department of Commerce is predicting a decline of up to $40 billion in the trade deficit in 1987 because of the reduction in the dollar's value in terms of foreign currencies. Others expecting improvement in trade balances in 1987 point to the "J-curve effect" to explain why the drop in the dollar's value has yet to lower the deficit. The explanation is that the drop in the value of the dollar pushes import prices up, and the dollar value of imports, therefore, continues to rise for some time after the volume of imports has begun to decline.

Leading Indicators Up Again

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, continued to point upward in November. The Index rose 1.2 percent from October to post its largest increase since January 1985. Some analysts, however, discounted the significance of the gain because a major portion of the rise resulted from higher prices for sensitive materials. Excluding that category from the Index would lower the gain to 0.7 percent. Other economists suggested that the increase partly reflected advance buying to beat tax law changes in 1987, which repeal sales tax deductions and lower depreciation allowances.

Nonetheless, eight of the eleven indications for which data were available helped push the Index up in November. Besides higher material prices (which suggests greater industrial demand), the average workweek rose, unemployment insurance claims fell, business deliveries classified as slow were up (reflecting larger backlogs), plant and equipment orders increased as did building permits, stock market prices, and the money supply. Leading indicators declining in November were orders for consumer goods, business formations, and outstanding credit.

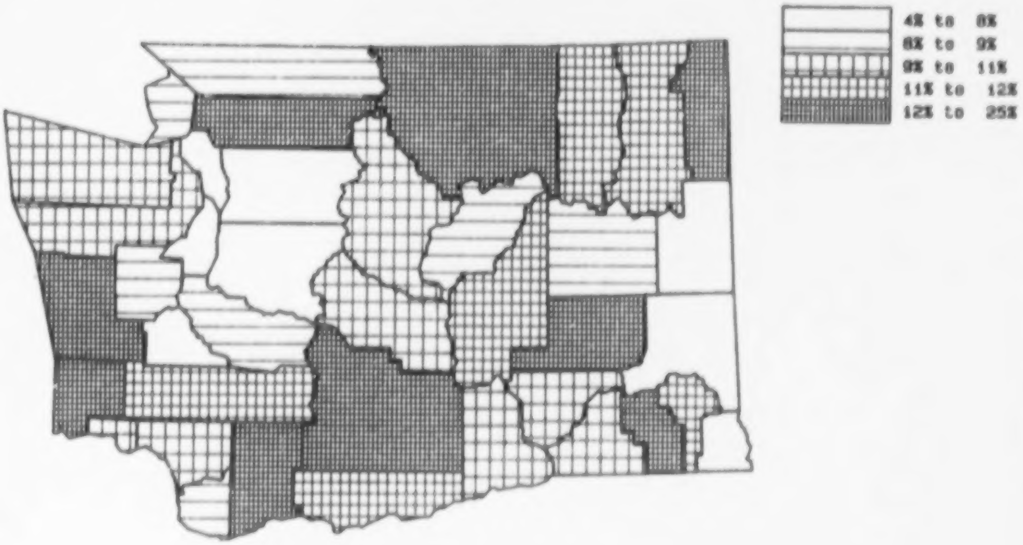
CONSUMER PRICE INDEX

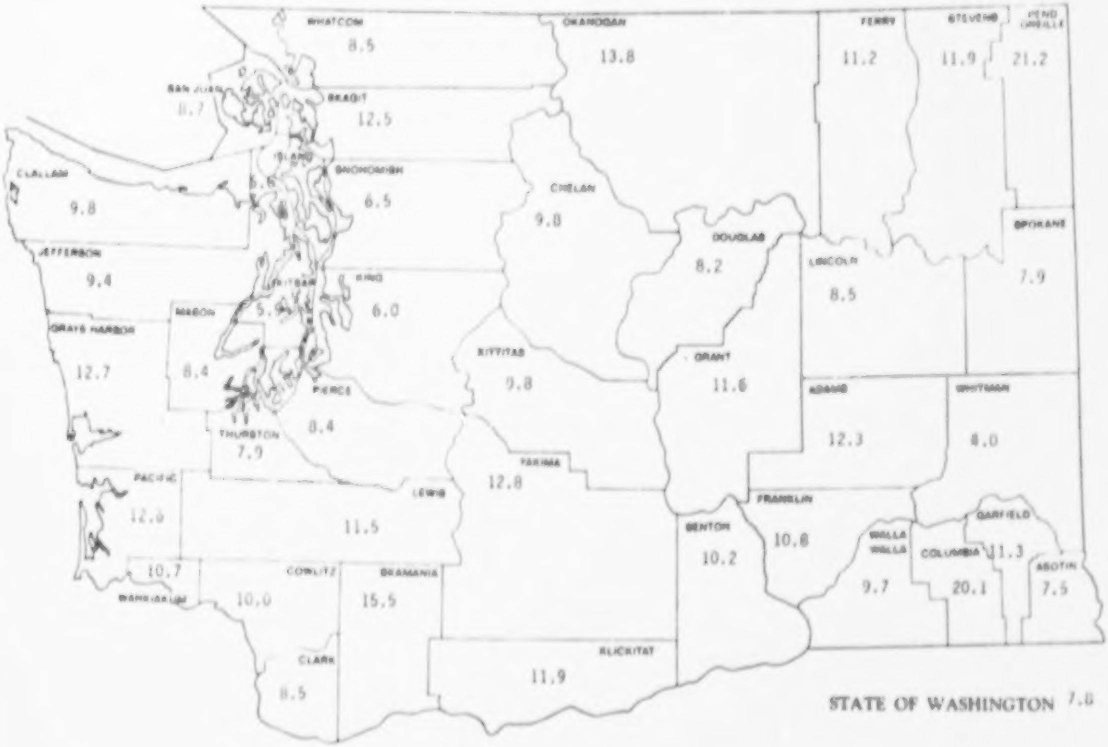
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Nov. 1986	Oct. 1986	Nov. 1985	Nov. 1986	Oct. 1986
U.S. City Average	330.8	330.5	326.6	+1.3	+1.5
Seattle-Everett	325.9	N/A	324.0	+0.6	N/A

NOVEMBER UNEMPLOYMENT RATES

State of Washington 7.8


4% to 6%
6% to 9%
9% to 11%
11% to 12%
12% to 25%


WHATCOM
8.5
OKANOGAN
13.8
FERRY
11.2
STEVENS
11.9
PEND OREILLE
21.2
SAN JUAN
8.7
SKAGIT
12.5
ISLAND
6.6
SNOHOMISH
6.5
CLALLAM
9.8
CHELAN
9.8
SPOKANE
7.9
DOUGLAS
8.2
JEFFERSON
9.4
LINCOLN
8.5
KITSAP
5.9
KING
6.0
MASON
8.4
GRAYS HARBOR
12.7
KITTITAS
9.8
GRANT
11.6
PIERCE
8.4
ADAMS
12.3
WHITMAN
4.0
THURSTON
7.9
YAKIMA
12.8
PACIFIC
12.6
LEWIS
11.5
FRANKLIN
10.8
GARFIELD
11.3
BENTON
10.2
WALLA WALLA
9.7
COLUMBIA
20.1
ASOTIN
7.5
10.7
WAHKIAKUM
COWLITZ
10.0
SKAMANIA
15.5
CLARK
8.5
KLICKITAT
11.9
STATE OF WASHINGTON 7.8

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Nov. 1986 (Prel.)	Oct. 1986 (Rev.)	Nov. 1985 (Rev.)	Oct. 1985 (Rev.)	Numerical Change Oct. 86 to Nov. 86	Nov. 85 to Nov. 86
TOTAL NONAG. WAGE AND SALARY.	1,784.0	1,794.2	1,738.9	1,745.1	-10.2	+45.1
TOTAL MANUFACTURING.........	298.2	302.9	297.1	301.8	-4.7	+1.1
Durable Goods..............	209.1	210.1	207.1	207.8	-1.0	+2.0
Lumber & Wood Products....	36.5 3/	37.8	37.6	38.8	-1.3	-1.1
Furniture & Fixtures......	3.9	4.0	3.9	3.8	-0.1	0.0
Stone Clay & Glass Prod...	6.1 3/	6.4	6.5	6.8	-0.3	-0.4
Primary Metal Industries..	11.9	11.9	12.5	12.9	0.0	-0.6
Aluminum Prod.& Proc.....	7.9	7.9	8.4	8.6	0.0	-0.5
Fabricated Metal Prod.....	9.5	9.8	9.8	10.1	-0.3	-0.3
Machinery.................	27.0	27.0	29.7	29.1	0.0	-2.7
Machinery exc. Elect.....	14.9 3/	14.9 3/	17.6 3/	17.0	0.0	-2.7
Electrical & Electronic..	12.1	12.1	12.1	12.1	0.0	0.0
Transportation Equipment..	99.9	98.8	92.2	91.5	+1.1	+7.7
Aerospace................	87.5	86.8	79.7	78.6	+0.7	+7.8
Other Transp. Equip......	12.4	12.0	12.5	12.9	+0.4	-0.1
Instruments & Rel. Prod...	9.6	9.9	10.6	10.6	-0.3	-1.0
Misc. Manufacturing Ind...	4.7	4.5	4.3	4.2	+0.2	+0.4
Nondurable Goods...........	89.1	92.8	90.0	94.0	-3.7	-0.9
Food & Kindred Products...	29.8	32.9	30.7	34.2	-3.1	-0.9
Canned & Preserved Foods.	10.9	13.4	11.3	14.6	-2.5	-0.4
Apparel & Other Text.Prod.	6.3	6.7	6.3	6.5	-0.4	0.0
Paper & Allied Products...	16.3	16.3	16.1	16.3	0.0	+0.2
Printing & Publishing.....	17.7	17.8	17.7	17.7	-0.1	0.0
Chemicals & Allied Prod...	11.4	11.5	11.7	11.7	-0.1	-0.3
Other Nondurable Goods 2/.	7.6	7.6	7.5	7.6	0.0	+0.1
MINING & QUARRYING..........	2.7	2.8	2.9	2.9	-0.1	-0.2
CONSTRUCTION................	84.0	89.0	81.5	85.6	-5.0	+2.5
TRANS.& PUBLIC UTILITIES....	95.7	96.2	95.2	96.0	-0.5	+0.5
WHOLESALE & RETAIL TRADE....	446.8	444.4	433.8	428.5	+2.4	+13.0
Wholesale Trade...........	109.4	110.3	106.7	107.9	-0.9	+2.7
Retail Trade..............	337.4	334.1	327.1	320.6	+3.3	+10.3
FIN. INS. & REAL ESTATE.....	104.3	105.5	100.6	100.6	-1.2	+3.7
SERVICES....................	395.5	398.4	376.7	378.4	-2.9	+18.8
Health Services	122.2	122.0	118.3	118.3	+0.2	+3.9
GOVERNMENT..................	356.8	355.0	351.1	351.3	+1.8	+5.7
Federal....................	68.4	68.8	69.7	70.1	-0.4	-1.3
State & Local..............	288.4	286.2	281.4	281.2	+2.2	+7.0
Education................	156.1	153.7	152.4	151.0	+2.4	+3.7
(WORKERS IN LABOR-MANAGEMENT DISPUTES)..................	0.4	0.1	0.1	0.0	+0.3	+0.3

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 12/30/86
Benchmark: 1985

	NOVEMBER 1986 PRELIMINARY 1/				OCTOBER 1986 REVISED 1/				NOVEMBER 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,216,900	2,043,700	173,200	7.8	2,242,300	2,082,300	160,000	7.1	2,112,200	1,948,200	164,000	7.8
Bellingham MSA	56,300	51,500	4,800	8.5	56,500	52,100	4,400	7.8	53,700	49,100	4,600	8.6
Bremerton MSA	72,400	68,100	4,300	5.9	72,500	68,200	4,300	5.9	70,400	66,400	4,000	5.7
Olympia MSA	70,900	65,300	5,600	7.9	71,000	65,600	5,400	7.6	66,300	61,200	5,100	7.7
Seattle PMSA	993,600	932,800	60,800	6.1	991,200	932,400	58,800	5.9	929,200	873,000	56,200	6.0
King County 2/	776,600	729,900	46,700	6.0	775,200	729,600	45,600	5.9	725,900	683,100	42,800	5.9
Snohomish County 2/	217,000	202,900	14,100	6.5	216,000	202,800	13,200	6.1	203,200	189,900	13,300	6.5
Spokane MSA	165,800	152,700	13,100	7.9	166,000	154,300	11,700	7.0	160,900	148,300	12,600	7.8
Tacoma PMSA	234,300	214,600	19,700	8.4	234,100	215,700	18,400	7.9	226,000	209,400	16,600	7.3
Tri-Cities MSA	67,400	60,400	7,000	10.4	70,000	64,200	5,800	8.3	66,300	59,700	6,600	10.0
Benton County 2/	50,800	45,600	5,200	10.2	52,800	48,500	4,300	8.1	49,900	45,100	4,800	9.6
Franklin County 2/	16,600	14,800	1,800	10.8	17,100	15,700	1,400	8.2	16,400	14,600	1,800	11.0
Vancouver PMSA	104,400	95,500	8,900	8.5	106,200	97,300	8,900	8.4	101,600	93,200	8,400	8.3
Yakima MSA	84,600	73,800	10,800	12.8	95,300	86,300	9,000	9.4	80,100	69,100	11,000	13.7
Adams	6,600	5,790	810	12.3	7,340	6,690	650	8.9	6,220	5,400	820	13.2
Asotin	8,280	7,660	620	7.5	8,450	7,860	590	7.0	8,190	7,340	850	10.4
Clallam	21,650	19,520	2,130	9.8	21,860	19,900	1,960	9.0	21,000	18,780	2,220	10.6
Columbia	1,790	1,430	360	20.1	1,690	1,380	310	18.3	1,580	1,240	340	21.5
Cowlitz	33,630	30,260	3,370	10.0	34,860	31,670	3,190	9.2	33,760	29,690	4,070	12.1
Ferry	2,600	2,310	290	11.2	2,720	2,440	280	10.3	2,500	2,200	300	12.0
Garfield	1,150	1,020	130	11.3	1,120	1,040	80	7.1	1,080	970	110	10.2
Grant	24,060	21,260	2,800	11.6	25,220	22,980	2,240	8.9	22,330	19,960	2,370	10.6
Grays Harbor	26,040	22,740	3,300	12.7	26,270	23,350	2,920	11.1	25,440	22,320	3,120	12.3
Island	16,560	15,460	1,100	6.6	17,020	16,020	1,000	5.9	15,990	14,980	1,010	6.3
Jefferson	7,120	6,450	670	9.4	7,320	6,730	590	8.1	6,780	6,210	570	8.4
Kittitas	12,020	10,840	1,180	9.8	12,250	11,370	880	7.2	11,710	10,540	1,170	10.0
Klickitat	8,380	7,380	1,000	11.9	8,640	7,900	740	8.6	8,390	7,260	1,130	13.5
Lewis	24,540	21,710	2,830	11.5	24,680	22,220	2,460	10.0	23,850	20,760	3,090	13.0
Lincoln	4,350	3,980	370	8.5	4,460	4,180	280	6.3	4,090	3,790	300	7.3
Mason	13,890	12,730	1,160	8.4	13,630	12,550	1,080	7.9	12,910	11,940	970	7.5
Okanogan	13,890	11,970	1,920	13.8	15,670	13,990	1,680	10.7	13,470	11,470	2,000	14.8
Pacific	6,820	5,960	860	12.6	6,990	6,260	730	10.4	7,260	6,220	1,040	14.3
Pend Oreille	3,060	2,410	650	21.2	3,080	2,490	590	19.2	3,590	3,010	580	16.2
San Juan	4,140	3,780	360	8.7	4,260	4,000	260	6.1	4,630	4,290	340	7.3
Skagit	30,430	26,640	3,790	12.5	31,260	27,930	3,330	10.7	29,500	25,820	3,680	12.5
Skamania	2,380	2,010	370	15.5	2,350	2,090	260	11.1	2,350	1,890	460	19.6
Stevens	11,180	9,850	1,330	11.9	11,390	10,170	1,220	10.7	11,130	9,600	1,530	13.7
Wahkiakum	1,220	1,090	130	10.7	1,260	1,130	130	10.3	1,400	1,150	250	17.9
Walla Walla	23,380	21,110	2,270	9.7	23,510	21,660	1,850	7.9	23,820	21,580	2,240	9.4
Wenatchee Labor Area	39,810	36,100	3,710	9.3	43,560	40,260	3,300	7.6	37,010	33,180	3,830	10.3
Chelan County 2/	26,940	24,290	2,650	9.8	29,380	27,080	2,300	7.8	25,060	22,320	2,740	10.9
Douglas County 2/	12,880	11,820	1,060	8.2	14,180	13,180	1,000	7.1	11,950	10,860	1,090	9.1
Whitman	18,350	17,610	740	4.0	18,550	17,950	600	3.2	17,720	17,060	660	3.7

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

December 30, 1986
Benchmark: 1985

	NOVEMBER 1986 PRELIMINARY 1/				OCTOBER 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,225,700	2,047,400	178,300	8.0	2,260,200	2,091,100	169,100	7.5
Bellingham MSA	56,500	51,600	4,900	8.7	57,000	52,300	4,700	8.2
Bremerton MSA	72,600	68,200	4,400	6.1	73,100	68,500	4,600	6.3
Olympia MSA	71,200	65,400	5,800	8.1	71,700	65,900	5,800	8.1
Seattle PMSA	997,100	934,500	62,600	6.3	998,600	936,400	62,200	6.2
King County 2/	779,300	731,200	48,100	6.2	780,900	732,700	48,200	6.2
Snohomish County 2/	217,800	203,300	14,500	6.7	217,700	203,700	14,000	6.4
Spokane MSA	166,500	153,000	13,500	8.1	167,400	155,000	12,400	7.4
Tacoma MSA	235,300	215,000	20,300	8.6	236,100	216,600	19,500	8.3
Tri-Cities MSA	67,700	60,500	7,200	10.6	70,500	64,400	6,100	8.7
Benton County 2/	51,100	45,700	5,400	10.6	53,300	48,700	4,600	8.6
Franklin County 2/	16,700	14,800	1,900	11.4	17,300	15,800	1,500	8.7
Vancouver PMSA	104,900	95,700	9,200	8.8	107,100	97,700	9,400	8.8
Yakima MSA	85,000	73,900	11,100	13.1	96,200	86,600	9,600	10.0
Adams	6,630	5,800	830	12.5	7,400	6,720	680	9.2
Asotin	8,300	7,670	630	7.6	8,510	7,890	620	7.3
Clallam	21,740	19,550	2,190	10.1	22,050	19,980	2,070	9.4
Columbia	1,810	1,440	370	20.4	1,720	1,390	330	19.2
Cowlitz	33,770	30,310	3,460	10.2	35,190	31,810	3,380	9.6
Ferry	2,620	2,320	300	11.5	2,750	2,450	300	10.9
Garfield	1,160	1,030	130	11.2	1,130	1,050	80	7.1
Grant	24,180	21,300	2,880	11.9	25,440	23,080	2,360	9.3
Grays Harbor	26,180	22,780	3,400	13.0	26,530	23,450	3,080	11.6
Island	16,620	15,490	1,130	6.8	17,140	16,090	1,050	6.1
Jefferson	7,150	6,460	690	9.7	7,390	6,760	630	8.5
Kittitas	12,080	10,860	1,220	10.1	12,350	11,420	930	7.5
Klickitat	8,430	7,400	1,030	12.2	8,720	7,940	780	8.9
Lewis	24,670	21,750	2,920	11.8	24,910	22,310	2,600	10.4
Lincoln	4,360	3,980	380	8.7	4,500	4,200	300	6.7
Mason	13,950	12,760	1,190	8.5	13,740	12,600	1,140	8.3
Okanogan	13,970	11,990	1,980	14.2	15,830	14,050	1,780	11.2
Pacific	6,860	5,970	890	13.0	7,060	6,290	770	10.9
Pend Oreille	3,080	2,410	670	21.8	3,130	2,500	630	20.1
San Juan	4,160	3,790	370	8.9	4,290	4,020	270	6.3
Skagit	30,590	26,690	3,900	12.7	31,570	28,050	3,520	11.1
Skamania	2,390	2,010	380	15.9	2,370	2,100	270	11.4
Stevens	11,240	9,870	1,370	12.2	11,510	10,220	1,290	11.2
Wahkiakum	1,220	1,090	130	10.7	1,280	1,140	140	10.9
Walla Walla	23,490	21,150	2,340	10.0	23,700	21,750	1,950	8.2
Wenatchee Labor Area	39,990	36,170	3,820	9.6	43,920	40,430	3,490	7.9
Chelan County 2/	27,060	24,330	2,730	10.1	29,630	27,200	2,430	8.2
Douglas County 2/	12,930	11,840	1,090	8.4	14,290	13,230	1,060	7.4
Whitman	18,400	17,640	760	4.1	18,670	18,030	640	3.4

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	November 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov-86	Oct-66	Nov-85	Nov-86	Oct-86	Nov-85	Nov-86	Oct-66	Nov-85
TOTAL MANUFACTURING INDUSTRIES*	183,400	$470.40	$460.94	$452.79	40.0	39.6	38.7	$11.76	$11.64	$11.70
SELECTED MANUFACTURING INDUSTRIES										
**Lumber and Wood Products	32.300	$412.49	$414.38	$414.43	38.3	38.8	36.1	$10.77	$10.68	$11.48
Primary Metal Industries	9,200	$522.24	$535.85	$528.64	40.8	41.7	41.3	$12.80	$12.85	$12.80
Fabricated Metal Products	7,200	$445.04	$442.18	$434.34	38.8	39.2	38.1	$11.47	$11.28	$11.40
**Machinery	15.200	$390.98	$375.14	$395.52	40.6	39.2	40.4	$9.63	$9.57	$9.79
Food and Kindred Products	22,300	$347.46	$349.13	$350.22	35.6	37.5	37.1	$9.76	$9.31	$9.44
Chemical and Allied Products	5.100	$626.94	$614.04	$582.58	43.0	41.8	42.4	$14.58	$14.69	$13.74
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	62,000	$575.48	$603.48	$571.17	35.9	37.6	35.9	$16.03	$16.05	$15.91
Wholesale and Retail Trade (does not include eating and drinking establishments)	278,400	$320.21	$316.37	$317.04	33.6	33.8	33.8	$9.53	$9.36	$9.38

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

2/22/87 S8340-3

Washington LABOR MARKET

January 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Volume 11, Number 1

Highlights

Seasonal Job Losses Outweigh Gains

Deteriorating weather conditions and little tourist activity resulted in employment reductions in several industries in December. Losses were partially offset by the hiring of thousands of temporary sales workers in retail trade for the holiday shopping period. As usual in December, however, the seasonal losses outweighed the seasonal gains, and total employment fell 12,500 from November.

The major job losses occurred in agriculture, food processing, construction, wholesale trade, and public education. Nonagricultural wage and salary employment accounted for 4,600 of the loss including a drop of 2,600 in manufacturing. Food and kindred products alone fell 1,500 to account for over one-half of the drop in manufacturing; most food processors were operating near their annual lows in December as usual. Other significant changes in manufacturing included reductions in lumber (off 300), fabricated metal products (off 400) and

	Dec. 1986* (Prel.)	Nov. 1986* (Rev.)	Dec. 1985
Civilian Labor Force	2,211,600	2,215,700	2,115,400
Total Employment	2,029,300	2,041,800	1,939,200
Total Unemployment	182,300	173,900	176,200
State Unemployment Rate	8.2	7.8	8.3
National Civilian Unemployment Rate	6.3	6.6	6.7

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

"other transportation equipment" (off 400). The loss in lumber was less than seasonally expected and occurred entirely in logging. Over the same period last year lumber employment fell 1,200. Fabricated metals was down because of a seasonal decline in demand from the construction industry and lower demand for metal containers from the canning and beverage industries. The loss in "other transportation equipment" resulted entirely from a labor-management dispute in shipbuilding; boatbuilding, largely for the recreation market, picked up slightly.

Santa's Helpers On The Job

In the nonmanufacturing industries, retail trade moved up 3,800 with holiday shopping in full swing. Services employment rose 1,200; medical services moved up 800, while seasonal hiring at ski resorts added 300 more jobs. Employment in most other nonmanufacturing industries declined in December. Construction fell 2,900 because of inclement weather, while public education payrolls were down 2,200 with some colleges between fall and winter terms. Wholesale trade employment dipped 900 in December because of less packing and shipping activity at fruit and vegetable warehouses.

More Nonmanufacturing Jobs This Year

An over-the-year comparison of employment conditions in the state contrasts sharply with the November-December decline. Year to year, nonfarm wage and salary employment in the state was up 43,900, or 2.5 percent, in December. Nonfarm payroll employment was also up 2.5 percent over the year in the nation in

December. As in the nation, job growth was largely confined to the nonmanufacturing industries. In Washington State, manufacturing employment rose only 700, or two-tenths of one percent, over the year, while manufacturing payrolls declined slightly in the nation over the year. The major weakness in manufacturing in both the state and nation, of course, is the result of foreign competition. Consumer demand has been exceptionally strong.

Aerospace up 9.5 Percent Over the Year

Fortunately for Washington State, aerospace has weathered foreign competition well. Employment in the industry rose 7,600 in 1986, or 9.5 percent, to more than offset losses in other manufacturing industries. The only other year-to-year gains in manufacturing were relatively small. Miscellaneous manufacturing added 400, other nondurable goods added 200 with growth in plastics manufacturing, while pulp and paper added 200. The gain in the latter, though small, is encouraging since it resulted from growth in exports following the decline in the value of the dollar relative to foreign currencies.

Offsetting most of the growth in manufacturing over the year were losses of 3,400 in machinery, 700 in primary metals (mainly aluminum), 900 in "other transportation equipment" (mainly shipbuilding) 900 in instruments, 500 in food products and 400 in chemicals. In all of these industries except food products and chemicals, the year-to-year losses were at least partially due to foreign competition. Food products has been declining because of plant consolidation and increasing automation. The drop in chemicals was almost entirely at Hanford.

Service Jobs Expand Briskly

In contrast to manufacturing, job growth has been brisk in the nonmanufacturing industries over the year. Employment in the services group led the expansion with a gain of 19,200 to account for nearly 44 percent of the increase in nonfarm payrolls. The largest gain in the services group occurred in business services, especially personnel supply agencies, data processing, protective services and consulting. Business services itself added 5,100 workers over the year and was closely followed by medical services which added 4,900. Growth at clinics helping clients to stop using tobacco, alcohol and drugs has been especially strong.

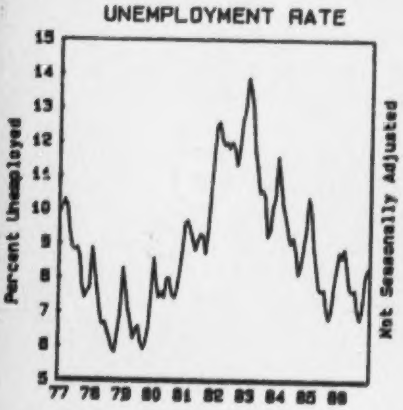
Imports Help Retail Trade

Retail trade added 7,800 jobs over the year. Paradoxically, low-cost foreign imports, which have lowered demand and employment in many of the nation's manufacturing industries, have to a large extent fueled the growth in retail trade. Employment at auto dealerships also increased over the year because of financing incentives offered to new car purchasers and because 1986 is the last year sales taxes can be deducted on income tax returns.

In other nonmanufacturing industries, construction employment rose 3,500 over the year as lower mortgage rates prompted an increase in housing starts. The weather in December 1986 was also milder than in December 1985, which permitted more outdoor work to continue. Finance, insurance and real estate added 4,700 employees between December 1985 and 1986. Rising home sales resulted in more home loan and insurance business, while lower mortgage rates prompted many home owners to refinance existing mortgages. Adding to the job growth in nonmanufacturing, public education payrolls rose 3,100 over the year because of rising enrollments in elementary grades--the "baby boom echo."

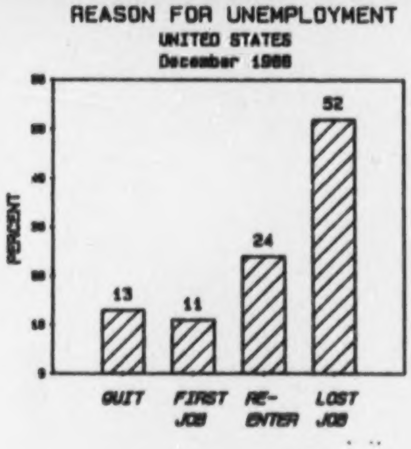
Unemployment Up Seasonally

Reflecting the overall decline in employment over the month, total unemployment in Washington State rose from 173,900 and 7.8 percent of the labor force in November to 182,300 and 8.2 percent in December. The increase, however, was no more than seasonally expected and the seasonally adjusted rate remained unchanged at 7.9 percent. The national seasonally adjusted rate was 6.7 percent in December, slightly more than one percentage point higher than the rate in this state. The spread between the state and national unemployment rates is about normal and reflects the larger proportion of employment in this state which is subject to periodic layoffs such as construction, lumber, food processing and agriculture. The fact that Washington State attracts residents from other states also adds to the spread since the immigration increases competition for jobs.



Characteristics of the Unemployed

Data from the national household survey provides insights on the unemployment situation which are not available on the state level. (Monthly data on the characteristics of the unemployed from that portion of the national survey conducted in Washington State are not reliable because of the small sample size.) For example, while the overall seasonally adjusted rate for civilians in the nation was 6.7 percent in December, the rates for adult men and women were 6.0 and 5.9 percent, respectively, while the rate for teenagers (16-19) was 17.3 percent. The rate for white people was 5.8 percent, while rates for blacks and Hispanics were 13.7 and 10.5 percent, respectively. About 17 percent of those unemployed in December were teenagers (16-19), 47 percent were adult men and 36 percent were adult women.



Unemployment rates varied substantially by marital and family status. Rates for married men and women (spouse present) were 4.3 and 4.8 percent, respectively, but the rate for women who maintained families was 9.8 percent. About 53 percent of the unemployed persons in the nation had lost their last job, temporarily or permanently, while about 13 percent had quit their last job. About 24 percent were reentering the labor force after an absence due to illness, education family responsibilities or other reasons. Almost 11 percent were looking for their first job.

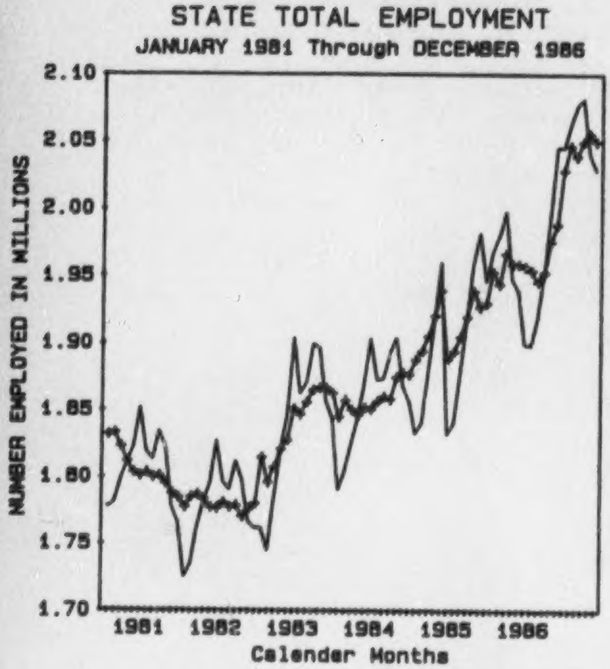
Increase In Unemployment Centered in Eastern Washington

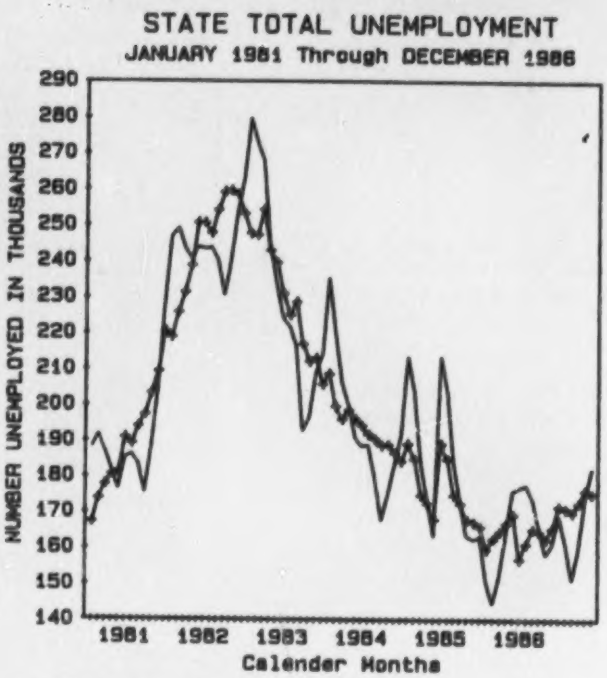
As usual unemployment increased more in Eastern Washington than Western Washington in December, and most of the added unemployment west of the Cascades was in the nonmetropolitan counties. Job losses in December mainly occurred in agriculture, food processing and outdoor employment such as construction and logging. Agriculture and food processing, of course, accounts for a much larger share of the economy in Eastern Washington than on the west side of the state. In addition, winter weather is more severe in Eastern Washington resulting in a relatively greater reduction in outdoor work than is the case in Western Washington.

While the overall state jobless rate rose from 7.8 to 8.2 percent between November and December, the rate east of the Cascades jumped from 10.0 to 11.4 percent. By contrast, the rate in Western Washington edged up only one-tenth of a point to 7.3 percent. Unemployment rates in the metropolitan areas in the central and southern Puget Sound area showed little change over the month as the temporary hiring of holiday workers in retail trade offset losses in construction and other outdoor work. Unemployment rates in most rural western counties dominated by the lumber industry, however, generally rose. The holiday expansion in retail trade is not as great in these areas; many of the residents in rural areas do much of their holiday shopping in nearby metropolitan areas.

Seattle's Unemployment Rate at 6.2 Percent

In central and lower Puget Sound, the unemployment rate in the Seattle Metropolitan Area edged up from 6.1 to 6.2 percent, while rates in the Bremerton and Tacoma metropolitan areas remained unchanged at 5.9 and 8.5 percent, respectively. The Olympia Metropolitan Area saw its rate slip from 8.0 to 7.8 percent. In Eastern Washington the picture was different. Unemployment in the Yakima Metropolitan Area rose from 12.9 to 15.0 percent over the month. The rate in Walla Walla County jumped from 9.7 to 11.9 percent, while the unemployment rate in the more diversified Spokane area moved up from 7.9 to 8.5 percent.

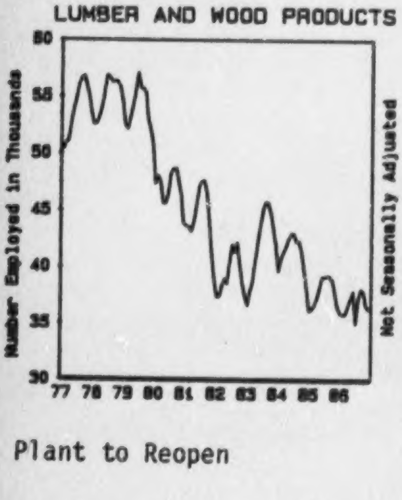




+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

MANUFACTURING INDUSTRIES

Lumber Employment Falls Less Than Seasonally



Lumber employment dipped 300 between November and December. Relatively mild weather in Western Washington helped prevent a larger loss. Nonetheless the drop was one of the smallest on record for December. All of the loss that did occur was in logging. Sawmills and other segments of the industry posted small gains over the month.

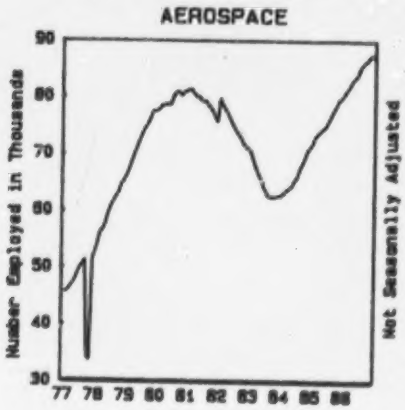
Over-the-year lumber employment was down only 100 in December. Employment in the industry may now be stabilizing after dropping 33 percent from 1978. The recent agreement with Canada, which will raise the price of their lumber exported to the U.S. by 15 percent, should help U.S. producers. The value of the Canadian dollar has also been increasing relative to the U.S. dollar recently, which will also help sales of domestically produced lumber.

Plant to Reopen

The old Weyerhaeuser Columbia River mill in Longview is scheduled to be reopened by Gardner Forest Products in February. The mill will initially employ 35 to 40 workers, but its employment may expand to 88 in the next two years. Financing for the plant was provided by the state's Development Loan Fund, which is administered by the Department of Community Development. The plant will produce both lumber and chips.

Aerospace Employment Stable Over the Month

Aerospace employment was unchanged between November and December bringing three years of consecutive monthly increases to a close. Over the year, however, aerospace employment was up 7,600, and since the beginning of its latest expansion in November 1983, aerospace payrolls have increased 24,700, or nearly 40 percent.



Growth in aerospace employment is expected to slow in 1987. Boeing's huge order backlog, however, should keep its workforce at a high level into the 1990s. Boeing's sales rose almost 20 percent from 1985 to total $16.34 billion in 1986, but they anticipate a ten percent decline in sales in 1987 because of less military and space revenue.

Commercial aircraft orders are expected to remain strong in 1987, although down from 1986. One analyst noted that orders in the last two years have been almost entirely for expansion and that replacement planes will be needed for older jets soon. A Boeing spokesman said that with the nation's airports rapidly approaching saturation in the number of planes landing and taking off, airlines will need to begin replacing smaller aircraft with larger ones to keep up with traffic growth. Boeing has estimated the value of the commercial airplane market at $255 billion between now and the turn of the century. Competition among manufacturers, however, will be strong.

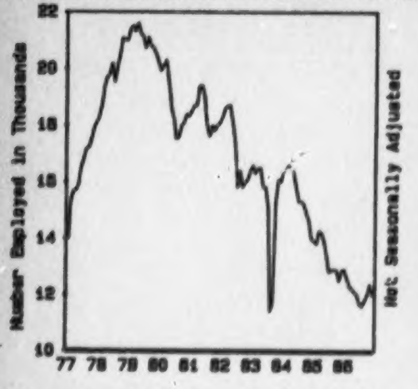
More Job Losses In Aluminum

Aluminum employment fell 100 in December and was down 600 over the year. Unfortunately more job losses are in the offing. Foreign competition has kept aluminum prices exceptionally low, unfortunately lower than the cost of production at some Northwest aluminum smelters. ALCOA closed its Vancouver smelter in the summer of 1986, but the plant is scheduled to be reopened by a new firm sometime in 1987. In the meantime, however, aluminum employment will drop further. Commonwealth Aluminum is closing its Goldendale plant, while Kaiser Aluminum and Chemical Corp. announced that it would lay off 300 workers at its Trentwood rolling mill.

Shipbuilding Down Boatbuilding Up

"Other transportation equipment" dropped 400 in December because of a labor-management dispute and was down 900 over the year. The year-to-year drop represents only a minor portion of the industries decline in recent years. Since December 1981,

OTHER TRANSPORTATION EQUIPMENT



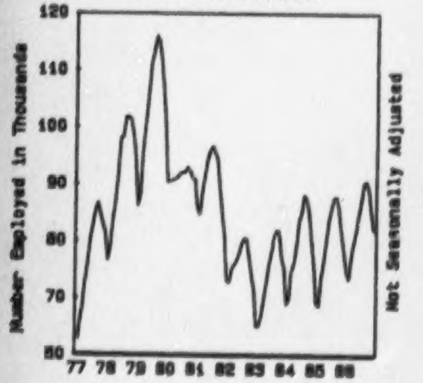
employment in the industry has dropped 6,100, or nearly one-third, because of competition from shipyards elsewhere in this country and abroad which pay lower wages and because of a worldwide oversupply of merchant ships. While shipbuilding employment has declined over the past several years, boatbuilding employment has increased because of rising demand for pleasure craft. The loss in shipbuilding, though, far exceeds the gain in boatbuilding. Between 1981 and 1986, shipbuilding employment fell 6,300, or nearly 60 percent, while boatbuilding employment rose 1,000, or 36 percent.

NONMANUFACTURING INDUSTRIES

1987 Outlook For Construction Uncertain

The decline in construction employment in December (2,900) was moderate but so was the weather, which allowed some projects to continue that would have been forced to shut down in other years. The outlook for construction in 1987 remains questionable. Nationally, the sale of new homes fell in November for the seventh out of the last eight months. According to the U.S. Department of Commerce, new home sales were 8.4 percent below their year-earlier level in November. Although mortgage rates have declined to their lowest level in several years, the price of new homes has increased with the median price now at $95,500 and the average price estimated at $116,800.

CONSTRUCTION



Housing starts for 1986 totaled 1,806,600 units nationally, up 3.7 percent from 1985 and the highest annual total since 1978. Except for December, however, the trend has been down in recent months with starts around the 1.6 million level on a seasonally adjusted annual rate basis in September, October and November. In December starts rose sharply, but starts jumped 50 percent in the Midwest and 17.6 percent in the Northeast because of exceptionally mild winter weather.

Decline in Apartment Construction Expected

Most housing analysts are still predicting relatively strong demand for single family homes in 1987, but are pessimistic on the prospects for apartment construction because of high vacancy rates in many areas and changes in tax law which have eliminated the tax shelter incentive to build apartments.

Thousands of Holiday Sales Jobs

Overall employment in retail trade rose 3,800 in December. Approximately 4,500 holiday sales workers were added at retail outlets but this temporary gain was partially offset by seasonal reductions at restaurants and gasoline service stations because of less tourist business.

Retail Sales Strong In December

From all reports retail sales were brisk in December. After seasonal adjustments, national retail sales climbed 4.4 percent between November and December. Part of the sharp increase resulted from the rush of consumers to make major purchases before the sales tax deduction was eliminated at the beginning of 1987. New car sales were also boosted by financing incentives in December. Automobile sales weren't the only reason for the growth in retail sales in December. Excluding autos, sales rose a strong 0.9 percent.

Moderate Growth In 1987 Retail Sales Expected

For all of 1986, retail sales rose 5.2 percent following a gain of 6.3 percent in 1985. Growth in retail sales is expected to be more moderate in 1987. Sales in 1986 were up partially because of the decline in oil prices, which left consumers with more discretionary income. In 1987, oil prices are more likely to advance than decline. Lower income tax withholding rates, however, will be a positive factor this year. And in the Puget Sound area, the 1986 expansion in aerospace will provide a positive impact on retail sales since there is a lag between hiring at Boeing and growth in the rest of the economy.

Education Jobs Down Seasonally

Government civilian employment fell 3,200 in December with 2,200 of the loss in public education. Much of the drop in educatin represented a temporary cutback in student help at colleges which were between fall and winter terms. Other reductions in government were scattered and basically seasonal such as in wild life conservation, agricultural marketing regulation, irrigation systems, etc.

Proposed Budget Cuts Jobs At McChord

President Reagan's budget for the next fiscal year proposes a reduction in the number of military aircraft stationed at McChord Air Force Base. If the proposal is accepted by Congress, it would mean 730 fewer military personnel at the base and a payroll drop of $18 million.

More Jobs At Madigan

At the nearby Madigan Army Medical Center, however, employment is expanding because of the construction of a $300 million hospital. Foundation work for the hospital is now complete and subcontractors are expected to employ between 700 and 1,000 workers at the peak of construction in 1988 and 1989. Meanwhile, Madigan is increasing its nursing staff and will continue hiring more nurses until the new hospital opens.

NATIONAL CONTEXT

Indicators Mixed

Economic indicators continued to present a mixed view of the economy at the end of 1986. The trade deficit set a record last year, but whether a turnaround is near is far from certain. The Gross National Product (GNP) increased at a meager 1.7 percent pace in the fourth quarter, but the Index of Leading Economic Indicators jumped 2.1 percent in December to post its largest gain in nearly three years.

The fourth quarter increase in the GNP, the inflation-adjusted value of the nation's output of goods and services, was well below the 2.8 percent gain in the third quarter and the 2.7 percent increase for 1985. A small decline in net exports contributed to the fourth quarter increase, but at a $155.6 billion annual rate the foreign trade deficit still represented a tremendous drain on the economy, especially the manufacturing sector. And despite the slight narrowing of the deficit in the final quarter, the total deficit for 1986 was $21.3 billion higher than the 1985 deficit of $148.5 billion.

The largest trade imbalance in 1986 was with Japan and totaled a record $58.6 billion. The next largest was for $26.4 billion with European Common market countries. Other deficits included Canada, $23.3 billion; Taiwan, $15.7 billion; and $10.7 billion with OPEC countries. Major imports in 1986 were new automobiles, $46.5 billion, and petroleum, $37.6 billion.

Leading Indicators Up Sharply

As in previous months when the Index of Leading Economic Indicators posted substantial gains, unusual factors contributed to the growth. The December increase was augmented by a strong rise in building permits which resulted partially because developers in California wanted to avoid higher permit fees to be imposed at the beginning of the year. The year-end buying surge to beat tax law changes repealing sales tax deductions and less favorable depreciation schedules is also likely to have boosted the Index. Nonetheless, eight of the leading indicators for which data were available contributed to the increase in the Index in December. Only two leading indicators were negative: unemployment claims rose, while net business formations were lower. Leading Indicators moving up included the average workweek in manufacturing, orders for consumer goods, orders for plant and equipment, building permits, sensitive material prices, stock market prices, the money supply and credit outstanding.

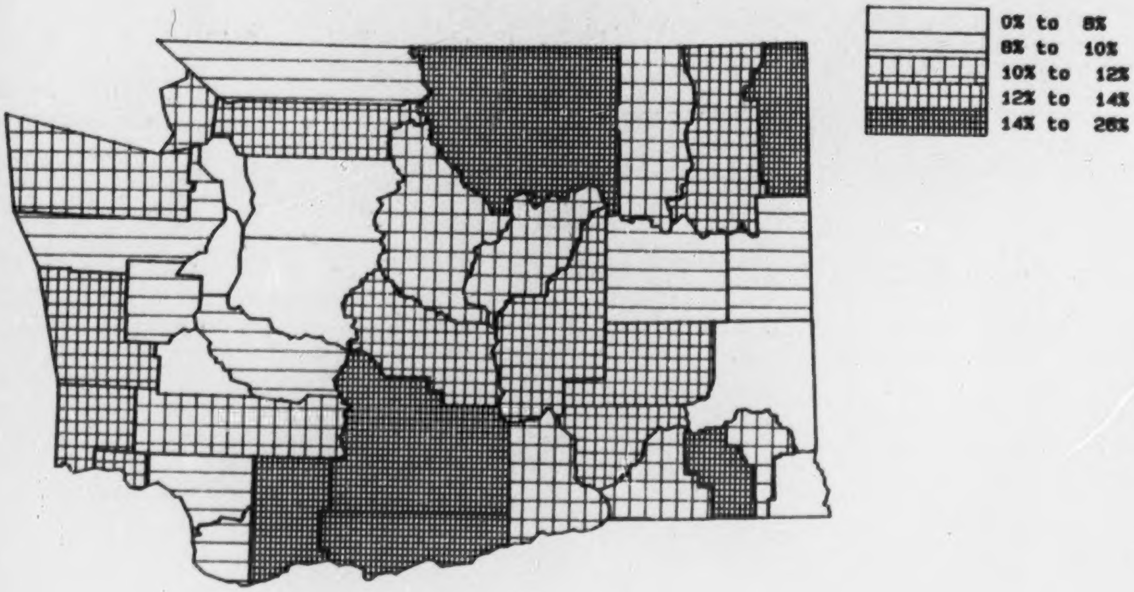
CONSUMER PRICE INDEX

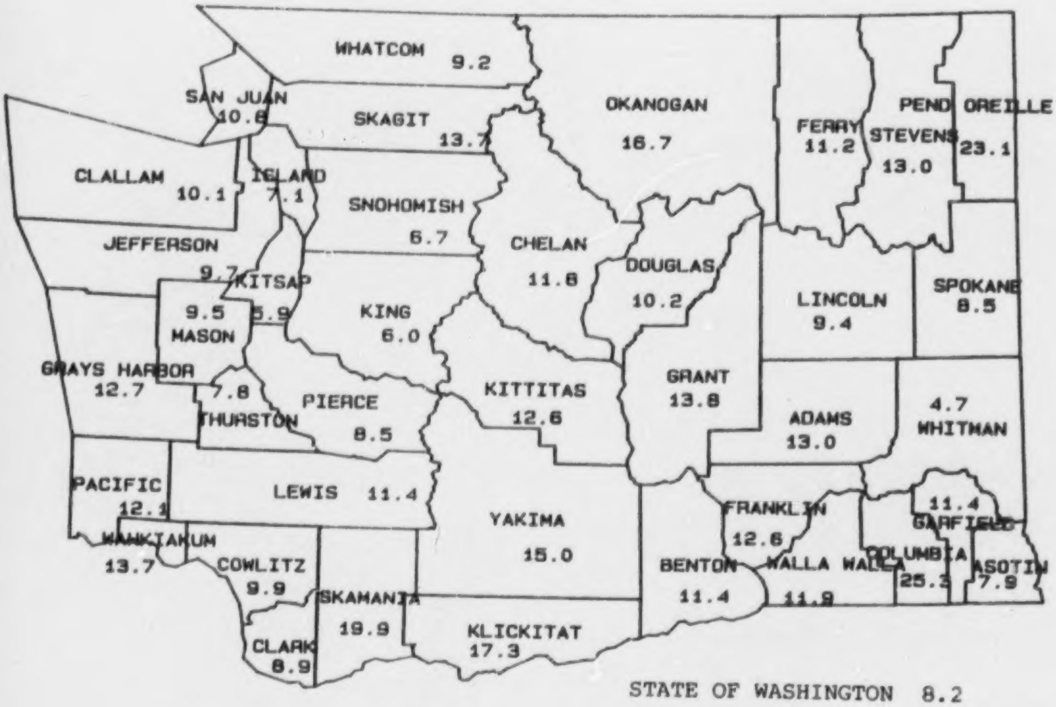
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Dec. 1986	Nov. 1986	Dec. 1985	Dec. 1986	Nov. 1986
U.S. City Average	331.1	330.8	327.4	+1.1	+1.3
Seattle-Everett	N/A	325.9	N/A	N/A	+0.6

DECEMBER UNEMPLOYMENT RATES

STATE OF WASHINGTON 8.2


0% to 8%
8% to 10%
10% to 12%
12% to 14%
14% to 26%


WHATCOM 9.2
SAN JUAN 10.8
SKAGIT 13.7
OKANOGAN 16.7
FERRY 11.2
STEVENS 13.0
PEND OREILLE 23.1
CLALLAM 10.1
ISLAND 7.1
SNOHOMISH 6.7
CHELAN 11.8
DOUGLAS 10.2
JEFFERSON 9.7
KITSAP 5.9
MASON 9.5
KING 6.0
LINCOLN 9.4
SPOKANE 8.5
GRAYS HARBOR 12.7
THURSTON 7.8
PIERCE 8.5
KITTITAS 12.6
GRANT 13.8
ADAMS 13.0
WHITMAN 4.7
PACIFIC 12.1
LEWIS 11.4
YAKIMA 15.0
FRANKLIN 12.6
GARFIELD 11.4
WAHKIAKUM 13.7
COWLITZ 9.9
BENTON 11.4
WALLA WALLA 11.9
COLUMBIA 25.3
ASOTIN 7.9
SKAMANIA 19.9
KLICKITAT 17.3
CLARK 8.9

STATE OF WASHINGTON 8.2

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 1/29/87
Benchmark: 1985

	DECEMBER 1986 PRELIMINARY 1/				NOVEMBER 1986 REVISED 1/				DECEMBER 1985 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,211,600	2,029,300	182,300	8.2	2,215,700	2,041,800	173,900	7.8	2,115,400	1,939,200	176,200	8.3
Bellingham MSA	55,300	50,200	5,100	9.2	56,300	51,500	4,800	8.5	52,900	48,100	4,800	9.1
Bremerton MSA	72,400	68,100	4,300	5.9	72,900	68,600	4,300	5.9	70,300	66,300	4,000	5.7
Olympia MSA	70,800	65,300	5,500	7.8	71,000	65,300	5,700	8.0	66,500	61,300	5,200	7.8
Seattle PMSA	996,000	934,500	61,500	6.2	994,900	933,800	61,100	6.1	935,500	876,000	59,500	6.4
King County 2/	778,200	731,200	47,000	6.0	777,600	730,700	46,900	6.0	730,000	685,400	44,600	6.1
Snohomish County 2/	217,900	203,300	14,600	6.7	217,200	203,100	14,100	6.5	205,500	190,600	14,900	7.3
Spokane MSA	165,200	151,100	14,100	8.5	165,700	152,600	13,100	7.9	161,200	147,300	13,900	8.6
Tacoma PMSA	234,000	214,000	20,000	8.5	230,700	211,000	19,700	8.5	226,500	209,500	17,000	7.5
Tri-Cities MSA	67,400	59,500	7,900	11.7	67,500	60,400	7,100	10.5	66,300	59,100	7,200	10.9
Benton County 2/	50,700	44,900	5,800	11.4	50,900	45,600	5,300	10.4	49,800	44,600	5,200	10.4
Franklin County 2/	16,700	14,600	2,100	12.6	16,600	14,800	1,800	10.8	16,500	14,500	2,000	12.1
Vancouver PMSA	104,800	95,500	9,300	8.9	105,400	96,400	9,000	8.5	101,100	92,400	8,700	8.6
Yakima MSA	82,600	70,200	12,400	15.0	83,500	72,700	10,800	12.9	80,000	67,300	12,700	15.9
Adams	6,440	5,600	840	13.0	6,420	5,640	780	12.1	6,310	5,370	940	14.9
Asotin	8,450	7,780	670	7.9	8,440	7,810	630	7.5	8,230	7,360	870	10.6
Clallam	21,160	19,020	2,140	10.1	21,550	19,410	2,140	9.9	21,120	18,480	2,640	12.5
Columbia	1,820	1,360	460	25.3	1,790	1,420	370	20.7	1,660	1,270	390	23.5
Cowlitz	33,920	30,560	3,360	9.9	34,380	30,990	3,390	9.9	34,170	29,660	4,510	13.2
Ferry	2,510	2,230	280	11.2	2,640	2,340	300	11.4	2,510	2,160	350	13.9
Garfield	1,050	930	120	11.4	1,080	960	120	11.1	1,090	950	140	12.8
Grant	23,950	20,640	3,310	13.8	24,270	21,460	2,810	11.6	22,350	19,600	2,750	12.3
Grays Harbor	25,970	22,680	3,290	12.7	26,070	22,750	3,320	12.7	25,370	22,060	3,310	13.0
Island	16,530	15,360	1,170	7.1	16,580	15,480	1,100	6.6	15,910	14,850	1,060	6.7
Jefferson	6,990	6,310	680	9.7	7,120	6,450	670	9.4	6,760	6,160	600	8.9
Kittitas	11,700	10,220	1,480	12.6	12,010	10,820	1,190	9.9	11,430	10,060	1,370	12.0
Klickitat	8,170	6,760	1,410	17.3	8,210	7,220	990	12.1	8,410	6,960	1,450	17.2
Lewis	24,040	21,290	2,750	11.4	24,430	21,580	2,850	11.7	24,210	20,960	3,250	13.4
Lincoln	4,250	3,850	400	9.4	4,340	3,970	370	8.5	4,100	3,780	320	7.8
Mason	13,530	12,240	1,290	9.5	13,930	12,770	1,160	8.3	12,590	11,500	1,090	8.7
Okanogan	13,800	11,500	2,300	16.7	14,230	12,260	1,970	13.8	13,100	10,760	2,340	17.9
Pacific	6,860	6,030	830	12.1	7,030	6,160	870	12.4	7,100	6,190	910	12.8
Pend Oreille	3,030	2,330	700	23.1	3,040	2,380	660	21.7	3,660	3,060	600	16.4
San Juan	4,000	3,570	430	10.8	4,150	3,790	360	8.7	4,510	4,140	370	8.2
Skagit	30,020	25,910	4,110	13.7	30,450	26,690	3,760	12.3	28,980	25,060	3,920	13.5
Skamania	2,360	1,890	470	19.9	2,390	2,010	380	15.9	2,390	1,820	570	23.8
Stevens	11,030	9,600	1,430	13.0	11,240	9,870	1,370	12.2	11,010	9,380	1,630	14.8
Wahkiakum	1,170	1,010	160	13.7	1,210	1,080	130	10.7	1,250	970	280	22.4
Walla Walla	23,290	20,520	2,770	11.9	23,350	21,080	2,270	9.7	23,610	20,940	2,670	11.3
Wenatchee Labor Area	39,000	34,590	4,410	11.3	39,050	35,330	3,720	9.5	36,040	31,850	4,190	11.6
Chelan County 2/	26,390	23,270	3,120	11.8	26,460	23,770	2,690	10.2	24,420	21,430	2,990	12.2
Douglas County 2/	12,610	11,320	1,290	10.2	12,600	11,560	1,040	8.3	11,620	10,430	1,190	10.2
Whitman	18,020	17,180	840	4.7	18,460	17,720	740	4.0	17,290	16,630	660	3.8

1/ Estimates provided here are for use as an economic time-series

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

January 29, 1987
Benchmark: 1985

(Not Seasonally Adjusted)

	DECEMBER 1986 PRELIMINARY 1/				NOVEMBER 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,214,800	2,030,900	183,900	8.3	2,224,700	2,045,700	179,000	8.0
Bellingham MSA	55,500	50,300	5,200	9.4	56,600	51,600	5,000	8.8
Bremerton MSA	72,500	68,100	4,400	6.1	73,100	68,700	4,400	6.0
Olympia MSA	70,900	65,300	5,600	7.9	71,300	65,500	5,800	8.1
Seattle PMSA	997,400	935,300	62,100	6.2	998,500	935,600	62,900	6.3
King County 2/	779,200	731,800	47,400	6.1	780,400	732,100	48,300	6.2
Snohomish County 2/	218,200	203,500	14,700	6.7	218,100	203,500	14,600	6.7
Spokane MSA	165,500	151,300	14,200	8.6	166,400	152,900	13,500	8.1
Tacoma MSA	234,300	214,100	20,200	8.6	231,600	211,400	20,200	8.7
Tri-Cities MSA	67,400	59,500	7,900	11.7	67,800	60,500	7,300	10.8
Benton County 2/	50,700	44,900	5,800	11.4	51,100	45,700	5,400	10.6
Franklin County 2/	16,700	14,600	2,100	12.6	16,700	14,800	1,900	11.4
Vancouver PMSA	105,000	95,600	9,400	9.0	105,900	96,600	9,300	8.8
Yakima MSA	82,800	70,300	12,500	15.1	83,900	72,800	11,100	13.2
Adams	6,460	5,610	850	13.2	6,450	5,650	800	12.4
Asotin	8,450	7,780	670	7.9	8,480	7,830	650	7.7
Clallam	21,190	19,040	2,150	10.1	21,660	19,450	2,210	10.2
Columbia	1,820	1,360	460	25.3	1,800	1,420	380	21.1
Cowlitz	33,980	30,590	3,390	10.0	34,540	31,050	3,490	10.1
Ferry	2,520	2,230	290	11.5	2,650	2,340	310	11.7
Garfield	1,060	940	120	11.3	1,090	960	130	11.9
Grant	23,990	20,650	3,340	13.9	24,390	21,500	2,890	11.8
Grays Harbor	26,020	22,700	3,320	12.8	26,220	22,800	3,420	13.0
Island	16,550	15,370	1,180	7.1	16,640	15,510	1,130	6.8
Jefferson	6,990	6,310	680	9.7	7,160	6,470	690	9.6
Kittitas	11,720	10,230	1,490	12.7	12,070	10,840	1,230	10.2
Klickitat	8,190	6,760	1,430	17.5	8,250	7,230	1,020	12.4
Lewis	24,080	21,310	2,770	11.5	24,560	21,620	2,940	12.0
Lincoln	4,260	3,850	410	9.6	4,360	3,980	380	8.7
Mason	13,560	12,250	1,310	9.7	13,990	12,790	1,200	8.6
Okanogan	13,830	11,510	2,320	16.8	14,300	12,280	2,020	14.1
Pacific	6,880	6,040	840	12.2	7,070	6,170	900	12.7
Pend Oreille	3,030	2,330	700	23.1	3,060	2,380	680	22.2
San Juan	4,010	3,580	430	10.7	4,180	3,800	380	9.1
Skagit	30,080	25,930	4,150	13.8	30,610	26,740	3,870	12.6
Skamania	2,370	1,900	470	19.8	2,400	2,010	390	16.3
Stevens	11,060	9,610	1,450	13.1	11,290	9,890	1,400	12.4
Wahkiakum	1,170	1,010	160	13.7	1,220	1,090	130	10.7
Walla Walla	23,330	20,540	2,790	12.0	23,460	21,120	2,340	10.0
Wenatchee Labor Area	39,070	34,620	4,450	11.4	39,230	35,400	3,830	9.8
Chelan County 2/	26,440	23,290	3,150	11.9	26,580	23,810	2,770	10.4
Douglas County 2/	12,630	11,330	1,300	10.3	12,660	11,590	1,070	8.5
Whitman	18,040	17,200	840	4.7	18,510	17,750	760	4.1

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE. PLACE OF WORK 1/

(In Thousands)

NOT SEASONALLY ADJUSTED	Dec. 1986 (Prel.)	Nov. 1986 (Rev.)	Dec. 1985 (Rev.)	Nov. 1985 (Rev.)	Numerical Change Nov. 86 to Dec. 86	 Dec. 85 to Dec. 86
TOTAL NONAG. WAGE AND SALARY.	1,779.7	1,784.3	1,735.8	1,738.9	-4.6	+43.9
TOTAL MANUFACTURING.........	295.5	298.1	294.8	297.1	-2.6	+0.7
Durable Goods..............	207.8	209.1	206.6	207.1	-1.3	+1.2
Lumber & Wood Products....	36.3	36.6	36.4	37.6	-0.3	-0.1
Furniture & Fixtures......	3.8	4.0	3.8	3.9	-0.2	0.0
Stone Clay & Glass Prod...	6.0	6.0	6.3	6.5	0.0	-0.3
Primary Metal Industries..	11.8	11.9	12.5	12.5	-0.1	-0.7
Aluminum Prod.& Proc.....	7.8	7.9	8.4	8.4	-0.1	-0.6
Fabricated Metal Prod.....	9.1	9.5	9.6	9.8	-0.4	-0.5
Machinery................	26.9	26.9	30.3	29.7	0.0	-3.4
Machinery exc. Elect.....	15.0 3/	14.9 3/	18.0	17.6 3/	+0.1	-3.0
Electrical & Electronic..	11.9	12.0	12.3	12.1	-0.1	-0.4
Transportation Equipment..	99.5	99.9	92.8	92.2	-0.4	+6.7
Aerospace................	87.5	87.5	79.9	79.7	0.0	+7.6
Other Transp. Equip......	12.0 3/	12.4	12.9	12.5	-0.4	-0.9
Instruments & Rel. Prod...	9.7	9.6	10.6	10.6	+0.1	-0.9
Misc. Manufacturing Ind...	4.7	4.7	4.3	4.3	0.0	+0.4
Nondurable Goods...........	87.7	89.0	88.2	90.0	-1.3	-0.5
Food & Kindred Products...	28.4	29.9	28.9	30.7	-1.5	-0.5
Canned & Preserved Foods.	9.3	10.9	9.5	11.3	-1.6	-0.2
Apparel & Other Text.Prod.	6.2	6.2	6.3	6.3	0.0	-0.1
Paper & Allied Products...	16.4	16.3	16.2	16.1	+0.1	+0.2
Printing & Publishing.....	17.8	17.7	17.7	17.7	+0.1	+0.1
Chemicals & Allied Prod...	11.3	11.3	11.7	11.7	0.0	-0.4
Other Nondurable Goods 2/.	7.6	7.6	7.4	7.5	0.0	+0.2
MINING & QUARRYING..........	2.7	2.7	2.8	2.9	0.0	-0.1
CONSTRUCTION................	82.0	84.9	78.5	81.5	-2.9	+3.5
TRANS.& PUBLIC UTILITIES....	95.5 3/	95.8	95.2	95.2	-0.3	+0.3
WHOLESALE & RETAIL TRADE....	447.5	444.6	437.0	433.8	+2.9	+10.5
Wholesale Trade............	108.6	109.5	105.9	106.7	-0.9	+2.7
Retail Trade..............	338.9	335.1	331.1	327.1	+3.8	+7.8
FIN. INS. & REAL ESTATE.....	105.5	105.2	100.8	100.6	+0.3	+4.7
SERVICES....................	398.0	396.8	378.8	376.7	+1.2	+19.2
Health Services	123.2	122.4	118.3	118.3	+0.8	+4.9
GOVERNMENT..................	353.0	356.2	347.9	351.1	-3.2	+5.1
Federal....................	68.6	68.5	69.2	69.7	+0.1	-0.6
State & Local.............	284.4	287.7	278.7	281.4	-3.3	+5.7
Education................	153.8	156.0	150.7	152.4	-2.2	+3.1
(WORKERS IN LABOR-MANAGEMENT DISPUTES).................	1.0	0.4	0.0	0.1	+0.6	+1.0

1/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during pay period including the 12th of the month.

2/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

3/ Excludes workers involved in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTTIVITIES, STATE OF WASHINGTON

	December 1986 Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Dec-86	Nov-86	Dec-85	Dec-86	Nov-86	Dec-85	Dec-86	Nov-86	Dec-85
TOTAL MANUFACTURING INDUSTRIES*	178,200	$476.37	$468.45	$473.21	40.2	39.8	39.9	$11.85	$11.77	$11.86
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,900	$419.65	$401.68	$445.79	38.5	37.4	38.2	$10.90	$10.74	$11.67
Primary Metal Industries	9,100	$548.68	$527.88	$548.27	42.5	40.7	42.7	$12.91	$12.97	$12.84
Fabricated Metal Products	6,700	$453.66	$442.73	$457.73	39.9	38.7	40.4	$11.37	$11.44	$11.33
**Machinery	15,200	$388.97	$390.42	$392.28	40.1	40.5	40.4	$9.70	$9.64	$9.71
Food and Kindred Products	20,700	$370.74	$347.26	$372.24	37.6	35.8	38.1	$9.86	$9.70	$9.77
Chemical and Allied Products	5,100	$619.63	$622.81	$590.73	43.0	42.6	40.6	$14.41	$14.62	$14.55
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	59,800	$582.54	$574.95	$597.63	36.8	35.8	36.8	$15.83	$16.06	$16.24
Wholesale and Retail Trade (does not include eating and drinking establishments)	282,100	$316.71	$320.20	$327.48	33.8	34.1	35.1	$9.37	$9.39	$9.33

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes

Employment Security Department
KG-11
Olympia WA 98504-5311

Official Business
Penalty for Private Use $300

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814

4/13/87 S8340-3

Washington LABOR MARKET

February 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

****ANNUAL REVIEW--PAGE 10****

****REVISED LABOR FORCE TABLES FOR 1980-1986 IN THIS ISSUE****

Employment At Winter Level

Employment in Washington State fell sharply between December and January but no more than expected at this time of the year. Total employment dropped 23,100 from December mainly because of the end of thousands of holiday sales jobs in retail trade, and the effect of winter weather conditions on construction, logging, and other outdoor employment. An over the year comparison, however, presents a different picture of the state's economy: between January 1986 and 1987, nonagricultural wage and salary employment was up 56,200 or 3.3 percent.

Reflecting the seasonal job losses, unemployment in the state rose from 180,300 and 8.3 percent of the labor force in December to 200,200 and 9.2 percent in January. The jobless rate also

Volume 11, Number 2

	Jan. 1987* (Prel.)	Dec. 1986 (Rev.)	Jan. 1986
Civilian Labor Force	2,181,000	2,184,200	2,097,800
Total Employment	1,980,800	2,003,900	1,900,800
Total Unemployment	200,200	180,300	197,000
State Unemployment Rate	9.2	8.3	9.4
National Civilian Unemployment Rate	7.3	6.3	7.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

reflected the over the year expansion and was down from 9.4 percent in January 1986. Nationally, the unemployment rate also jumped sharply, rising from 6.3 percent in December to 7.3 percent in January. The national rate was unchanged over the year (data are not seasonally adjusted).

Seasonal Job Losses Widespread In January

Nonagricultural wage and salary employment fell 24,500 between December and January in Washington State. Retail trade fell 9,900 alone with most of the drop resulting from the end of the temporary holiday sales jobs. Employment at restaurants and other eating and drinking places fell with fewer people venturing out because of winter weather. Building material-hardware stores also cut staffing with many building projects postponed until spring. Seasonal job losses were the rule in the service industries in January with the industry total down 4,300. The largest losses were at hotels-motels and business services. Holiday parties gave hotels a lift in December but that business was gone in January and tourist activity was at its annual low. Construction payrolls fell 3,400, but the loss was no more than expected at this time of the year. Adding to the losses in January, civilian government payrolls dropped 2,500. Federal employment was down 600 largely because of the termination of holiday extras at post offices. The state and local government job total fell 1,900 with most of the cutback in public education. Education employment, however, will rebound in February as schools move into the final half of the school year.

Manufacturing payrolls also declined over the month, falling 2,100 from December. The largest loss was in food products which dropped 1,600, mainly because of cutbacks in canning and freezing operations which were at their annual low point. Lumber employment was down 1,100 in January with most of the loss resulting from weather-related cutbacks in logging. The only noteworthy gains in manufacturing were credited to aerospace (up 300) and "other transportation equipment" (up 400). The increase in the latter partially resulted from the hiring of replacement workers for those involved in a labor-management dispute.

Unemployment High In Eastern Washington And Lumber Areas

Unemployment rose in all counties of the state in January. The largest increases, however, were in Eastern Washington and in counties largely dependent on the lumber industry for manufacturing jobs. This, of course, is to be expected because winter weather is more severe east of the Cascades, and the agriculture and food processing industries, which are the region's principle source of jobs, are at their annual lows. In logging areas winter weather slows harvesting in low land operations and shuts logging down entirely at higher elevations because of snow.

While the statewide rate rose nearly one point between December and January (from 8.3 to 9.2), the jobless rate in Eastern Washington increased from 11.4 to 12.9 percent, and the 14 counties classified as lumber areas saw their combined rate jump from 12.3 to 14.5 percent. By contrast, the overall rate in Western Washington increased from 7.4 to 8.1 percent. Typical of major Eastern Washington areas, Yakima County's rate moved up from 15.0 to 17.2 percent; Grant County's rate rose from 13.4 to 15.8 percent; and the rate in the Wenatchee area (Chelan and Douglas counties) increased from 11.9 to 13.5 percent.

But, Eastern Washington Shows Over-The-Year Improvement

Despite the high rates in the Eastern half of the state in January, the area's overall rate was down over the year, falling from 13.5 percent in January 1986 to 12.9 percent this January.

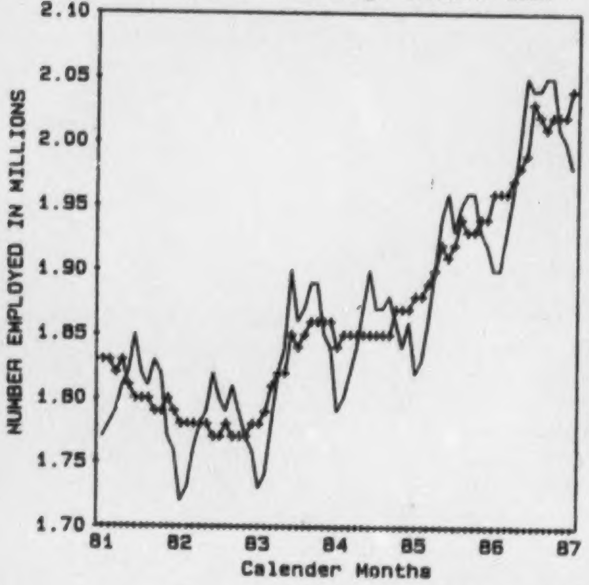
Skamania Has State's Highest Unemployment Rate

In the lumber areas, the December-January increase as well as the rate itself varied considerably by local weather conditions and the proportion of logging employment in the lumber industry of individual areas. In the Columbia River Gorge, where winter weather is particularly severe, Skamania County's rate soared from 20.2 to 32.5 percent over the month, while the rate in adjoining Klickitat County jumped from 17.7 to 24.5 percent. Both counties are highly dependent on the timber industry for manufacturing jobs and a high proportion of those jobs are in logging. Skamania's January rate was the highest in the state in January. Rates of over 20 percent, however, are common in that county in the winter even when the lumber industry is prosperous because of weather-related shutdowns. In other lumber areas the increase in unemployment was less because of milder weather conditions and a lower proportion of logging jobs in their lumber industries. The unemployment rate in Grays Harbor County rose from 12.7 to 13.4 percent over the month; Lewis County's rate moved from 11.5 to 13.5 percent, while the rate in Pacific County increased from 12.1 to 13.4 percent.

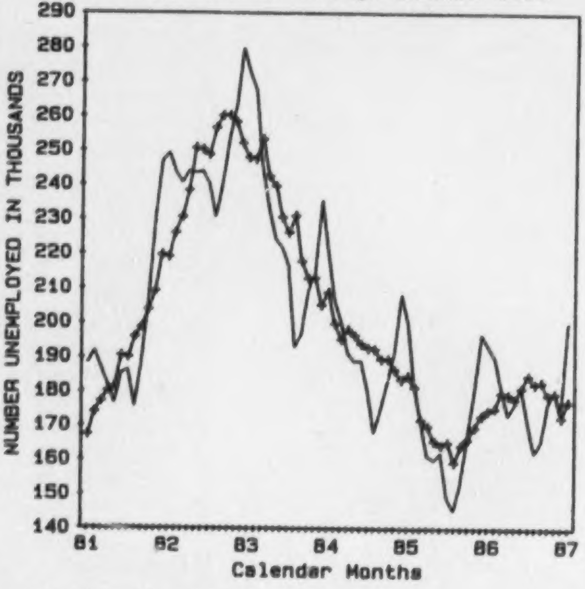
Puget Sound Less Dependent On Seasonal Industries

In the Seattle Metropolitan Area, which is less dependent on seasonal industries, the unemployment rate rose from 6.2 to 6.8 percent over the month and remained below the national and statewide rates. The jobless rate in the Tacoma Metropolitan Area moved up in step with the statewide increase, from 8.5 to 9.3 percent. While the jobless rate in the state dropped slightly over the year, however, the rate in the Tacoma area was up substantially, increasing from 8.1 to 9.3 percent. The major reason for the jump in unemployment in Tacoma was the termination of work on equipment for oil fields in Alaska. The drop in oil prices last year curtailed development work in the oil fields.

STATE TOTAL EMPLOYMENT
JANUARY 1981 Through JANUARY 1987



STATE TOTAL UNEMPLOYMENT
JANUARY 1981 Through JANUARY 1986



+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

MANUFACTURING INDUSTRIES

Aerospace Competition Heats Up

The Boeing Company continues as the undisputed world leader in the production of commercial airliners, but competition from Airbus Industrie, the European government-supported consortium, is increasing. In early March, American Airlines agreed to lease 15 wide-bodied 767 jetliners from Boeing. At this same time, however, American Airlines contracted to lease 25 jetliners from Airbus Industrie. Delivery dates for the planes, which have yet to be built, were not announced. This was the European firm's first order from American Airlines. The orders were unusual in that they allow the airline to return the planes on short notice, which represents a substantial risk to the manufacturer. The arrangement reflects the intense competition between Boeing and Airbus.

The Reagan Administration is now considering relatiatory measures because of European government subsidies to Airbus. The Administration maintains that the subsidies permit Airbus to sell jetliners at prices 25 percent below those of comparable aircraft built in the U.S. Airbus is now seeking government financing to support the development of two new aircraft.

Boeing received a number of other orders in the first quarter. Quantas Airways Ltd. of Australia ordered four 747-400 aircraft and spare parts valued at $675 million. The planes are scheduled for delivery in 1989. The airline also took options for 15 additional aircraft. Japan Air Lines ordered seven planes at a cost of $575 million for delivery in 1987 and 1988. Three 757 twinjets worth $135 million were ordered by American West Airlines based in Phoenix, Arizona for delivery starting in 1989. The firm took options for three more jetliners. The Chinese National Airline ordered three 757-200 aircraft at a price of approximately $125 million.

More Missile Work For Boeing

Boeing received a $243 million contract from the Air Force in February to develop the control and communications system for Midgetman missiles. This could lead to production work estimated at more than $1 billion. Boeing has two partners on the contract. The award was a followup to the selection of a Boeing headed team to build six mobile launchers and four tractors for the missile. That contract was worth $302 million and could lead to production work of $1 billion also. Boeing's partners in the launcher contract are Paccar and Goodyear Aerospace. The Pentagon wants 500 of the mobile launchers and is expected to make a decision on funding production in the early 1990s.

New Contracts For Tacoma Boat

A Navy contract gave new life to Tacoma Boat, which a few years ago was Tacoma's largest manufacturing employer but then filed for bankruptcy because of cost overruns on a Navy contract. Under the $34 million contract awarded in February, Tacoma Boat will overhaul and modernize a research ship for the Navy and convert it to a submarine detection vessel. The contract is expected to lead to contracts with foreign navies the company is now negotiating with. The new contract with the U.S. Navy will be a good sign to the foreign nations of the ability of Tacoma Boat, according to the firm's chairman. He said that Tacoma Boat hopes to emerge from bankruptcy soon, and added that while the company may never employ as many as 2,000 workers again, it may employ 500 to 1,000 within a few years.

Tacoma Boat also has a $5 million-plus job to renovate an oceanliner. Average employment on the three-month project will be around 110.

Contract Problems at AK-WA

AK-WA Inc., now Tacoma's largest shipyard, has run into difficulties. Recently it filed for bankruptcy reorganization but is now trying to rescind its petition. The firm's major problem was over delayed work on a Military Sealift Command oiler it was repairing. The shipyard was unable to finish work on the ship in the 90 days specified by the contract, and there was a $40,000-a-day penalty for failure to complete the job on time. The firm maintained the delay occurred because government-supplied equipment was received late. Because of the delay, AK-WA has filed a $1.5 million claim against the government. The bankruptcy filing suspended the completion date on the contract but also froze the firm's checking account.

The firm's president said that the company expects to make its first profit in March. AK-WA refurbished several ferries this winter and is now modifying the world's largest floating gold dredge. It has also performed work on a large fish processing vessel and several barges. Recently AK-WA won a contract to build 14 supply barges for the Army Corps of Engineers.

Bonuses For Weyerhaeuser Workers

Of 3,300 eligible Weyerhaeuser employees in Washington State, 2,900 shared in productivity bonuses and profit shares totaling $2.4 million in the fourth quarter of 1986, up from $900,000 in the previous quarter. The bonuses added 61 cents to $2.32 to the hourly earning of workers at profitable mills. Eight of the company's ten mills in the state recorded profits. Weyerhaeuser credited increased earnings in its lumber business to the tariff on Canadian lumber and a strike by woodworkers in British Columbia.

After a lengthy strike last summer, Weyerhaeuser workers accepted profit sharing in return for wage and benefit cuts averaging $4 an hour.

Mill To Reopen Near Spokane

WTD Industries of Portland purchased an idle lumber mill in Valley, Washington, near Spokane, and plans to begin production sometime this summer. The firm expects to employ about 85 workers when the mill reaches full production later this year.

Hanford Jobs Threatened

An environmental group is considering legal action to halt the restart of the N Reactor at the Hanford Nuclear Reservation. The Department of Energy plans to restart the reactor in July. $50 million worth of safety improvements are now being installed, but all of the improvements will not be completed by July. The plant produces plutonium for nuclear weapons.

A lawsuit, successful or not, could delay the restart of the reactor. The manager of the Hanford operations said that as many as 4,000 Hanford jobs could be lost if the restart were delayed two years. The total job loss at Hanford would increase to 6,300 if the delay is longer. A lawsuit in 1983 delayed the start-up of a plutonium-producing reactor in South Carolina for two years.

NONMANUFACTURING INDUSTRIES

Homebuilding Strong

Construction employment declined in January as usual. Compared with January 1986, however, employment in the building trades was up 6,000. Homebuilding is at a higher level this year because of lower mortgage rates, but part of the year-to-year increase undoubtedly resulted from relatively milder weather this January.

Nationally, housing starts dipped slightly between December and January but remained at a high level. On a seasonally adjusted annual rate basis, starts totaled 1,806,000 units in January, down from 1,808,000 units in December, but starts in the latter month were up 10.4 percent from November. Single-family starts remained strong and increased in January, while apartment construction was weak because of high vacancy rates in many areas and the elimination of tax-shelter incentives.

Mortgage Rates Falling

Declining mortgage rates which have fueled the strong housing market are continuing to fall. In the last week of January the average interest rate on 30-year conventional mortgages was 9.12 percent, down from 9.3 in the previous month and from 10.89 percent one year earlier. Reflecting the declining rates, single-family home sales rose 8.9 percent in 1986.

Sales jumped 12.7 percent in December alone. Although few analysts believe the December rate can be maintained, many see further reductions in mortgage rates.

Most New Jobs In Trade And Services

Employment in the trade and service industries declined as expected in January but maintained substantial year-to-year growth margins. Trade added 17,500 jobs over the year, while service payrolls (hotels-motels, business services, medical services, etc.) rose 19,800. Together these two industries accounted for two-thirds of the increase in nonfarm payrolls over the year. Nationally, they accounted for an even larger proportion of the year-to-year job growth--75 percent in January.

Consumer Debt And Low Income Gains May Slow Growth

The growth in the trade and service industries has largely been supported by rising consumer spending. Many analysts, however, doubt the rate of increase can continue because of record consumer debt and slow growth in personal income. Income growth is now barely keeping up with inflation. Average hourly earnings in all nonfarm industries in the nation in January were up only two percent over the year. Estimates are not available in Washington State for all nonfarm industries, but for manufacturing production workers, average hourly earnings were up less than one percent over the year in January. Average weekly pay, however, was up about four percent because of a longer workweek this year.

New Jobs For Spokane

Guardian Life Insurance Company announced plans to build its Western Regional Home Office in Spokane. The firm, which now employs over 100 people in Spokane, plans to build two buildings capable of housing 500 to 600 employees each. The first building will be built this summer or early next year. The construction of the second building is not assured and will depend on company growth. Guardian Life is one of the top 20 insurance companies nationally in premium income.

More On Everett Navy Base

In February the state issued the water quality certification necessary for the construction of the Navy home port in Everett. The Navy agreed to apply for a shoreline permit, but there is disagreement between supporters and critics of the project on whether the shoreline permit process will delay construction of the base. There is also disagreement over whether $43.5 million in 1987 federal funds for the project can be released until the shoreline permit is obtained. Besides the shoreline permit, construction depends upon the state legislature conveying tidelands to the Navy for construction of the base and the underwater bedlands needed for disposal of dredge material. The legislature must also appropriate $15.4 million to finance road improvements near the base site and offset additional costs.

NATIONAL CONTEXT

Economists See No Recession But Higher Inflation In 1987

A survey of members of the National Association of Business Economists found that members of the association expect the Gross National Product (GNP) to increase 2.8 percent, after adjustment for inflation, between the fourth quarters of 1986 and 1987. The GNP grew 2.2 percent in the comparable year-earlier period but a slight 1.3 percent in the fourth quarter of 1986. Only 18 percent of the members surveyed expect a recession by the end of this year.

The economists, however, expect inflation to increase to four percent in 1987, up from 1.9 percent in 1986. Plunging oil prices helped keep inflation low last year. Another important reason for expecting inflation to pick up this year is the declining value of the dollar. The decline is making imported goods more expensive and enabling U.S. companies to raise their prices as well. In addition, industrial capacity has expanded little in the past three years because of price weakness, while demand has increased modestly which is putting upward pressure on prices. An acceleration in prices may already be underway.

A survey by the National Association of Purchasing Management indicated that more than nine times as many purchasing agents reported price increases in February as reported declining prices. The Department of Labor reported that wholesale prices rose at a 7.7 percent annual rate in January, led by higher gasoline prices. Wholesale prices declined 2.5 percent in 1986.

Leading Indicators Down In January

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, fell one percent in January, but this followed a 2.3 percent gain in December. Changes in both months were influenced by unusual factors, specifically the new tax law which took effect at the beginning of 1987. Individuals and businesses were motivated to purchase expensive merchandise and equipment in December while sales taxes were still deductable for tax purposes and before lower depreciation schedules went into effect. Thus, a decline in January was to be expected. The building permit index was also unusually high in December because developers in California took out permits in advance to beat a January 1 fee hike. Permits were down in January.

Changes in other leading indicators in January included declines in orders for consumer goods, orders for plant and equipment, and sensitive material prices. Business deliveries classified as slow were down (suggesting lower backlogs), while unemployment claims rose. Leading indicators on the positive side in January included the average workweek, net business formations, stock market prices, and the money supply, all of which rose.

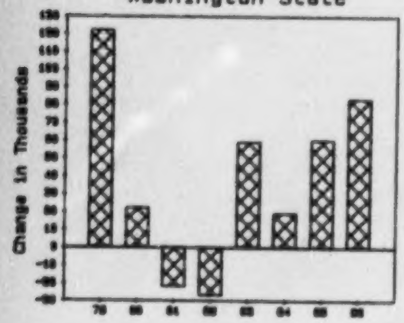
ANNUAL REVIEW

83,000 New Jobs In 1986

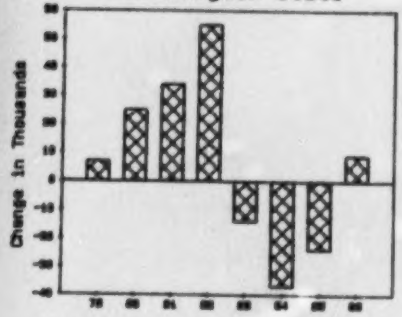
Average annual total employment rose 83,000 in Washington State in 1986 to post its largest gain since 1979. By way of comparison, employment rose 60,000 in 1985, 19,000 in 1984, 59,000 in 1983 and dropped 27,000 in the 1982 recession. In the late 1970s with strength in both aerospace and the lumber industries, employment growth set post-World War II records, advancing 140,000 in 1978 and 122,000 in 1979.

Despite the resurgence in job growth in 1986, unemployment rose from 170,000 and 8.1 percent of the labor force in 1985 to 179,000 and 8.2 percent in 1986. Paradoxically, substantial employment gains don't always result in lower unemployment because the growth in employment opportunities attracts new people into the labor force. Many of the new labor force entrants are workers who had been laid off in previous years and who temporarily stopped looking for a new job after repeated failures when employment opportunities were scarce. In-migration has also been a source of new entrants. In 1979, unemployment rose 7,000 even though employment expanded 122,000. However, net migration (the difference between the number of persons who migrate into Washington and those who leave Washington) totaled 113,000 in 1979 and 94,000 in the previous year. Many of these new residents, of course, were children and others who did not enter the labor force, but the state's employment growth was undoubtedly responsible for the in-migration. In recent years migration has been more moderate. Between April 1985 and 1986, in-migration and out-migration were nearly offsetting. Between April 1986 and 1987, however, net migration for the state has been projected at 25,000.

CHANGE IN EMPLOYMENT
1979-1986
Washington State



CHANGE IN UNEMPLOYMENT
1979-1986
Washington State



Trade And Services Lead Advance

Nonagricultural wage and salary employment rose nearly 60,000 in 1986. The trade and service industries added 32,000 alone to account for over one-half of the new jobs. Consumer buying was given a substantial boost by the sharp drop in petroleum prices early in 1986 and by lower interest rates. Lower rates permitted thousands of home owners to refinance existing mortgages at lower rates which reduced their monthly payments. Paradoxically, another factor which supported the expansion in retail trade in 1986 was the abundance of low-cost foreign goods on the market. While lowering demand and employment in manufacturing, the influx of products manufactured abroad has had the opposite effect in retail trade.

In other nonmanufacturing industries, construction employment moved up 4,600 as declining mortgage rates helped new home construction. Growth in home construction and mortgage refinancing combined to boost employment in finance, insurance and real estate 5,600 between 1985 and 1986. State and local government jobs rose 6,500 over the year. Public education accounted for 2,700 of the new government jobs. Enrollments in the primary grades have been growing as the children of the "baby boom" generation enter school.

Aerospace Boosts Manufacturing Jobs

Manufacturing employment rose 8,700 between 1985 and 1986. All of the net increase, however, could be attributed to aerospace which advanced 8,900 on the strength of growing orders for jet airliners. Gains and losses in other manufacturing industries were basically offsetting. On the positive side, printing-publishing rose 1,100, largely reflecting a growing and more affluent population. Machinery added 900, but by the fourth quarter it had dropped below its year-ago level because of the end of contracts to produce equipment for the Alaskan Oil fields and cutbacks at firms producing electronic equipment. The major reasons for the reduction in electronics were increased foreign competition and a nationwide slowdown in demand for electronic products. Instruments, another high-tech industry, dipped 300 over the year also because of a national slowdown in demand for the industry's products.

Plant Closures Reduce Aluminum Employment

Other industries on the downside included aluminum which fell 900 between 1985 and 1986. A labor dispute and the closure of the ALCOA Vancouver smelter accounted for most of the loss. Contributing factors were the low market price of aluminum and foreign competition. Problems in the industry continued into 1987 with the closure of the Commonwealth Aluminum plant in Goldendale in February and layoffs at Kaiser's Trentwood rolling mill. The Vancouver ALCOA plant may be reopened by a new firm this year, however, and the Commonwealth plant was sold to a firm which plans to reopen it and process aluminum on a contract basis for a firm in Norway.

"Other transportation equipment" (mainly shipbuilding) employment was down 800 from 1985. Labor-management disputes reduced employment in December, but the major cause was a decline in the demand for new ships and competition from foreign shipyards and shipyards elsewhere in the nation which pay lower wages. Lumber employment fell slightly over the year (400) with a significant portion of the loss resulting from a labor dispute in July. Demand for lumber was high in 1986, but automation in the industry has sharply reduced labor requirements in recent years.

Moderate Growth Expected In 1987

The economy of Washington State is expected to continue growing in 1987 but at a more moderate pace than in 1986. Aerospace cannot be expected to continue expanding as rapidly as it did last year, and consumer spending will not be boosted by declining oil prices and mortgage refinancing, at least to the extent it was last year. Nonetheless, the economy will benefit from several factors in 1987: (1) The decline in income tax withholding rates will help support consumer spending. (2) Last year's expansion in aerospace will continue to boost the economy because of the lag between hiring in aerospace and induced gains in other industries. (3) The 15 percent tax on Canadian lumber exported to the United States should at least stabilize employment in the state's lumber industry. (4) The decline in the value of the dollar relative to foreign currencies should make our manufacturing industries more competitive.

CONSUMER PRICE INDEX

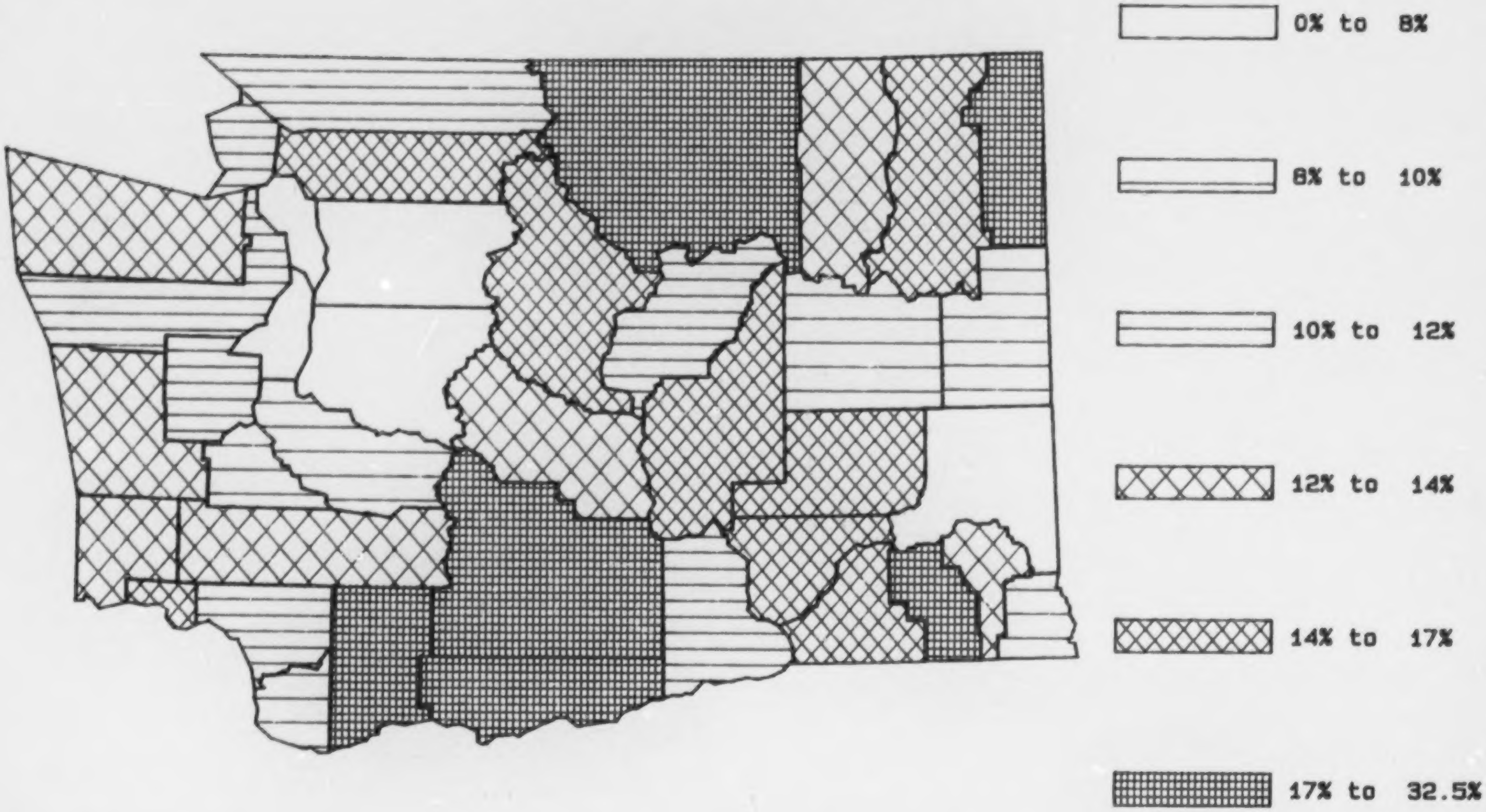
(All Items, Urban Consumers, 1967=100)

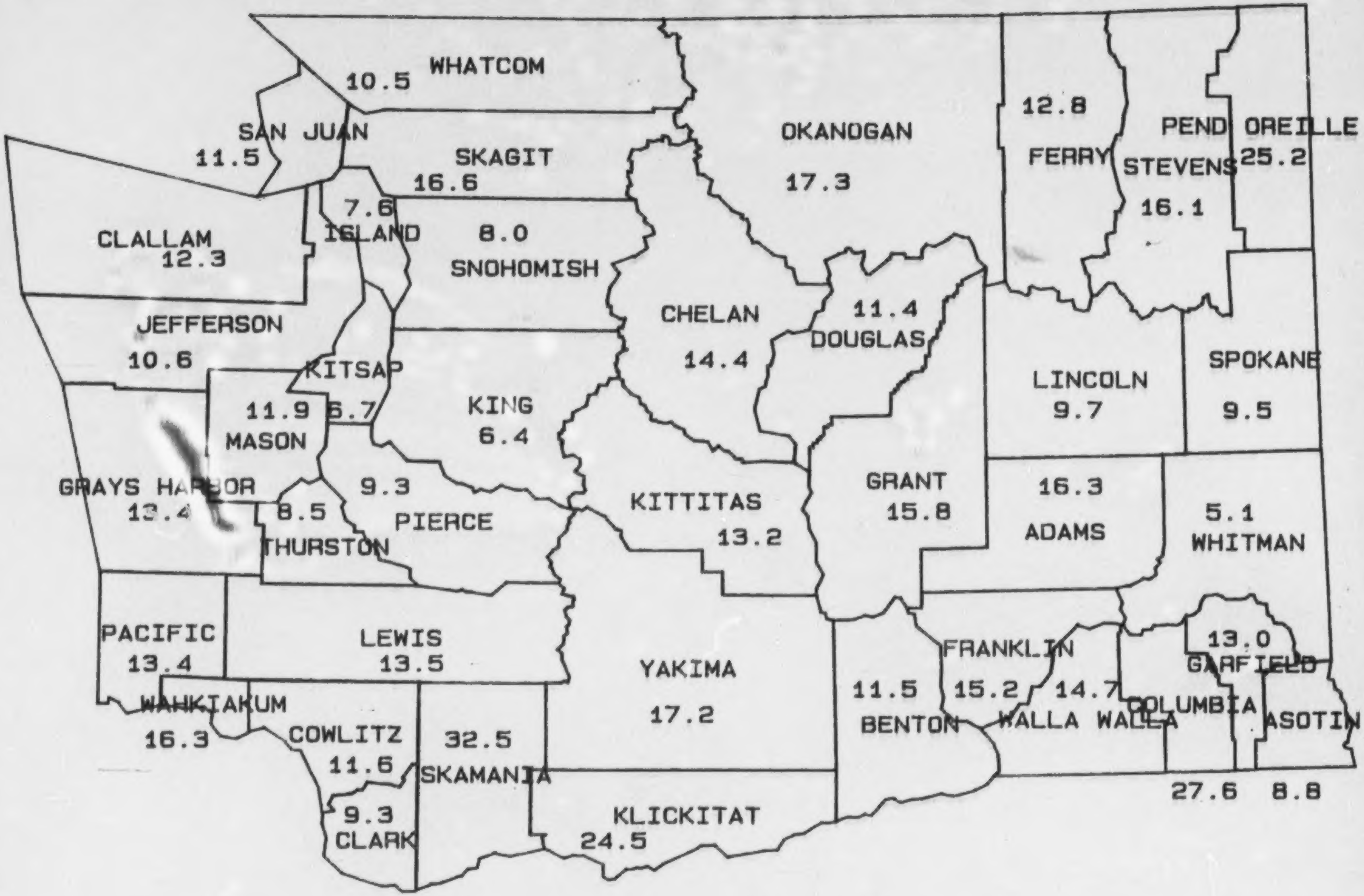
	INDEXES			PERCENT CHANGE Year Ending	
	Jan. 1987	Dec. 1986	Jan. 1986	Jan. 1987	Dec. 1986
U.S. City Average	333.1	331.1	328.4	1.4	+1.1
Seattle*					

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

JANUARY UNEMPLOYMENT RATES

State of Washington 9.2


0% to 8%
8% to 10%
10% to 12%
12% to 14%
14% to 17%
17% to 32.5%


WHATCOM
10.5
SAN JUAN
11.5
SKAGIT
16.6
OKANOGAN
17.3
FERRY
12.8
PEND OREILLE
25.2
STEVENS
16.1
CLALLAM
12.3
ISLAND
7.6
SNOHOMISH
8.0
CHELAN
14.4
DOUGLAS
11.4
JEFFERSON
10.6
KITSAP
6.7
KING
6.4
LINCOLN
9.7
SPOKANE
9.5
MASON
11.9
GRAYS HARBOR
13.4
THURSTON
8.5
PIERCE
9.3
KITTITAS
13.2
GRANT
15.8
ADAMS
16.3
WHITMAN
5.1
PACIFIC
13.4
LEWIS
13.5
YAKIMA
17.2
BENTON
11.5
FRANKLIN
15.2
WALLA WALLA
14.7
GARFIELD
13.0
COLUMBIA
27.6
ASOTIN
8.8
WAHKIAKUM
16.3
COWLITZ
11.6
SKAMANIA
32.5
CLARK
9.3
KLICKITAT
24.5

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

NOT SEASONALLY ADJUSTED	(In Thousands)				Numerical Change	
Industry	Jan. 1987 (Prel.)	Dec. 1986 (Rev.)	Jan. 1986 (Rev.)	Dec. 1985 (Rev.)	Dec. 86 to Jan. 87	Jan. 86 to Jan. 87
TOTAL NONAG. WAGE AND SALARY....	1767.1	1,791.6	1,710.9	1,732.8	-24.5	56.2
MANUFACTURING..................	300.0	302.1	297.4	298.5	-2.1	2.6
Durable Goods................	211.4	211.9	209.1	208.3	-0.5	2.3
Lumber & Wood Products.....	36.3	37.4	36.9	36.4	-1.1	-0.6
Furniture & Fixtures.......	3.9	4.0	3.8	3.9	-0.1	0.1
Stone, Clay & Glass........	5.9	6.1	5.8	6.1	-0.2	0.1
Primary Metals.............	11.6	11.5	12.2	12.2	0.1	-0.6
Aluminum.................	7.5	7.5	8.1	8.1	0.0	-0.6
Fabricated Metals..........	9.5	9.5	9.7	9.8	0.0	-0.2
Machinery..................	28.0	28.0	31.8	31.9	0.0	-3.8
Machinery (Exc. Elec.)...	16.0 4/	16.0 4/	19.5	19.7	0.0	-3.5
Electrical Equip.........	12.0	12.0	12.3	12.2	0.0	-0.3
Transportation Equip.......	101.4	100.7	93.8	92.8	0.7	7.6
Aerospace................	88.5	88.2	80.7	80.0	0.3	7.8
Other Transp. Equip......	12.9 4/	12.5 4/	13.1	12.8	0.4	-0.2
Instruments & Related......	9.9	9.9	10.6	10.6	0.0	-0.7
Misc. Manufacturing........	4.9	4.8	4.5	4.6	0.1	0.4
Nondurable Goods.............	88.6	90.2	88.3	90.2	-1.6	0.3
Food & Kindred Products....	27.4	28.7	28.2	29.7	-1.3	-0.8
Canned & Preserved Foods.	8.4	9.0	9.2	9.6	-0.6	-0.8
Apparel & Allied Products..	6.0	6.0	6.1	6.5	0.0	-0.1
Paper & Allied Products....	17.0	17.2	16.5	16.9	-0.2	0.5
Printing & Publishing......	18.9	19.0	18.1	17.9	-0.1	0.8
Chemicals & Allied Products	11.5	11.5	11.5	11.6	0.0	0.0
Other Nondurable Goods 3/..	7.8	7.8	7.9	7.6	0.0	-0.1
MINING & QUARRYING	2.8	2.8	2.6	2.5	0.0	0.2
CONSTRUCTION..................	80.1	83.5	74.1	77.2	-3.4	6.0
TRANSP.,COMM. & UTIL...........	94.7 4/	95.6 4/	94.4	94.7	-0.9	0.3
WHOLESALE & RETAIL TRADE.......	435.9	447.3	418.4	431.2	-11.4	17.5
Wholesale Trade............	107.0	108.5	102.9	104.4	-1.5	4.1
Retail Trade...............	328.9 4/	338.8	315.5	326.8	-9.9	13.4
FIN. INS. & REAL ESTATE........	106.1	106.0	102.1	101.1	0.1	4.0
SERVICES......................	395.6	399.9	375.8	380.6	-4.3	19.8
Health Services............	123.9	124.6	118.6	119.4	-0.7	5.3
GOVERNMENT....................	351.9	354.4	346.1	347.0	-2.5	5.8
Federal....................	70.1	70.7	68.8	69.8	-0.6	1.3
State & Local..............	281.8	283.7	277.3	277.2	-1.9	4.5
Education................	151.4	153.0	150.4	149.6	-1.6	1.0
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	1.4	1.0	0.0	0.0	0.4	1.4

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 3/4/87
Benchmark: 1986

	JANUARY 1987 PRELIMINARY 1/				DECEMBER 1986 REVISED 1/				JANUARY 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,181,000	1,980,800	200,200	9.2	2,184,200	2,003,900	180,300	8.3	2,097,800	1,900,800	197,000	9.4
Bellingham MSA	55,300	49,500	5,800	10.5	56,300	51,100	5,200	9.2	53,300	47,600	5,700	10.7
Bremerton MSA	70,000	65,300	4,700	6.7	70,400	66,100	4,300	6.1	69,900	65,500	4,400	6.3
Olympia MSA	70,700	64,700	6,000	8.5	70,400	65,000	5,400	7.7	67,400	62,000	5,400	8.0
Seattle PMSA	980,300	914,100	66,200	6.8	979,300	918,600	60,700	6.2	922,600	858,600	64,000	6.9
King County 2/	779,700	729,500	50,200	6.4	779,400	733,100	46,300	5.9	732,900	685,200	47,700	6.5
Snohomish County 2/	200,600	184,600	16,000	8.0	199,900	185,500	14,400	7.2	189,700	173,400	16,300	8.6
Spokane MSA	163,700	148,100	15,600	9.5	164,100	150,200	13,900	8.5	159,200	143,800	15,400	9.7
Tacoma PMSA	231,900	210,300	21,600	9.3	232,900	213,100	19,800	8.5	224,700	206,400	18,300	8.1
Tri-Cities MSA	67,000	58,600	8,400	12.5	66,500	58,700	7,800	11.7	64,700	57,000	7,700	11.9
Benton County 2/	51,100	45,200	5,900	11.5	51,000	45,300	5,700	11.2	49,500	44,000	5,500	11.1
Franklin County 2/	15,800	13,400	2,400	15.2	15,500	13,400	2,100	13.5	15,200	13,000	2,200	14.5
Vancouver PMSA	102,800	93,200	9,600	9.3	103,000	93,800	9,200	8.9	102,800	92,500	10,300	10.0
Yakima MSA	80,200	66,400	13,800	17.2	81,300	69,100	12,200	15.0	79,700	63,800	15,900	19.9
Adams	6,090	5,100	990	16.3	6,020	5,190	830	13.8	5,800	4,760	1,040	17.9
Asotin	8,600	7,840	760	8.8	8,230	7,570	660	8.0	7,840	6,980	860	11.0
Clallam	21,790	19,120	2,670	12.3	21,470	19,350	2,120	9.9	21,320	18,780	2,540	11.9
Columbia	1,920	1,390	530	27.6	1,880	1,350	530	28.2	1,830	1,310	520	28.4
Cowlitz	33,190	29,340	3,850	11.6	33,490	30,170	3,320	9.9	34,080	29,100	4,980	14.6
Ferry	2,340	2,040	300	12.8	2,340	2,070	270	11.5	2,480	2,050	430	17.3
Garfield	1,000	870	130	13.0	1,020	900	120	11.8	1,040	870	170	16.3
Grant	23,850	20,090	3,760	15.8	24,400	21,140	3,260	13.4	22,110	18,990	3,120	14.1
Grays Harbor	25,750	22,300	3,450	13.4	25,710	22,440	3,270	12.7	25,000	21,320	3,680	14.7
Island	16,940	15,650	1,290	7.6	16,730	15,580	1,150	6.9	16,570	15,340	1,230	7.4
Jefferson	7,170	6,410	760	10.6	7,600	6,920	680	8.9	7,080	6,360	720	10.2
Kittitas	11,510	9,990	1,520	13.2	11,500	10,050	1,450	12.6	11,350	9,730	1,620	14.3
Klickitat	7,680	5,800	1,880	24.5	7,510	6,180	1,330	17.7	7,450	5,600	1,850	24.8
Lewis	24,100	20,850	3,250	13.5	23,790	21,060	2,730	11.5	22,530	19,260	3,270	14.5
Lincoln	4,320	3,900	420	9.7	4,370	3,970	400	9.2	3,980	3,620	360	9.0
Mason	12,140	10,700	1,440	11.9	13,170	11,900	1,270	9.6	12,130	10,720	1,410	11.6
Okanogan	14,070	11,640	2,430	17.3	13,910	11,580	2,330	16.8	13,950	11,190	2,760	19.8
Pacific	6,570	5,690	880	13.4	6,760	5,940	820	12.1	6,600	5,570	1,030	15.6
Pend Oreille	3,010	2,250	760	25.2	3,020	2,340	680	22.5	3,560	2,870	690	19.4
San Juan	3,930	3,480	450	11.5	4,150	3,730	420	10.1	4,080	3,640	440	10.8
Skagit	30,280	25,240	5,040	16.6	30,570	26,430	4,140	13.5	31,250	26,550	4,700	15.0
Skamania	2,400	1,620	780	32.5	2,280	1,820	460	20.2	2,390	1,550	840	35.1
Stevens	10,580	8,880	1,700	16.1	10,460	9,060	1,400	13.4	10,770	8,810	1,960	18.2
Wahkiakum	1,040	870	170	16.3	1,100	950	150	13.6	1,230	990	240	19.5
Walla Walla	23,180	19,780	3,400	14.7	22,870	20,140	2,730	11.9	22,570	19,310	3,260	14.4
Wenatchee Labor Area	37,510	32,460	5,050	13.5	37,860	33,340	4,520	11.9	36,550	31,060	5,490	15.0
Chelan County 2/	25,620	21,930	3,690	14.4	25,730	22,530	3,200	12.4	24,990	20,990	4,000	16.0
Douglas County 2/	11,880	10,520	1,360	11.4	12,130	10,810	1,320	10.9	11,560	10,070	1,490	12.9
Whitman	18,120	17,200	920	5.1	18,000	17,170	830	4.6	17,940	17,200	740	4.1

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

March 4, 1987
Benchmark: 1986

	JANUARY 1987 PRELIMINARY 1/				DECEMBER 1986 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,172,100	1,970,600	201,500	9.3	2,184,200	2,003,900	180,300	8.3
Bellingham MSA	55,000	49,200	5,800	10.5	56,300	51,100	5,200	9.2
Bremerton MSA	69,800	65,000	4,800	6.9	70,400	66,100	4,300	6.1
Olympia MSA	70,400	64,400	6,000	8.5	70,400	65,000	5,400	7.7
Seattle PMSA	976,000	909,400	66,600	6.8	979,300	918,600	60,700	6.2
King County 2/	776,200	725,700	50,500	6.5	779,400	733,100	46,300	5.9
Snohomish County 2/	199,800	183,700	16,100	8.1	199,900	185,500	14,400	7.2
Spokane MSA	163,100	147,400	15,700	9.6	164,100	150,200	13,900	8.5
Tacoma MSA	230,900	209,200	21,700	9.4	232,900	213,100	19,800	8.5
Tri-Cities MSA	66,700	58,300	8,400	12.6	66,500	58,700	7,800	11.7
Benton County 2/	51,000	45,000	6,000	11.8	51,000	45,300	5,700	11.2
Franklin County 2/	15,800	13,300	2,500	15.8	15,500	13,400	2,100	13.5
Vancouver PMSA	102,400	92,700	9,700	9.5	103,000	93,800	9,200	8.9
Yakima MSA	80,000	66,100	13,900	17.4	81,300	69,100	12,200	15.0
Adams	6,070	5,070	1,000	16.5	6,020	5,190	830	13.8
Asotin	8,570	7,800	770	9.0	8,230	7,570	660	8.0
Clallam	21,710	19,020	2,690	12.4	21,470	19,350	2,120	9.9
Columbia	1,910	1,380	530	27.7	1,880	1,350	530	28.2
Cowlitz	33,060	29,190	3,870	11.7	33,490	30,170	3,320	9.9
Ferry	2,340	2,030	310	13.2	2,340	2,070	270	11.5
Garfield	1,010	870	140	13.9	1,020	900	120	11.8
Grant	23,770	19,990	3,780	15.9	24,400	21,140	3,260	13.4
Grays Harbor	25,660	22,190	3,470	13.5	25,710	22,440	3,270	12.7
Island	16,870	15,570	1,300	7.7	16,730	15,580	1,150	6.9
Jefferson	7,150	6,380	770	10.8	7,600	6,920	680	8.9
Kittitas	11,470	9,940	1,530	13.3	11,500	10,050	1,450	12.6
Klickitat	7,660	5,770	1,890	24.7	7,510	6,180	1,330	17.7
Lewis	24,010	20,740	3,270	13.6	23,790	21,060	2,730	11.5
Lincoln	4,300	3,880	420	9.8	4,370	3,970	400	9.2
Mason	12,100	10,650	1,450	12.0	13,170	11,900	1,270	9.6
Okanogan	14,030	11,580	2,450	17.5	13,910	11,580	2,330	16.8
Pacific	6,540	5,660	880	13.5	6,760	5,940	820	12.1
Pend Oreille	3,000	2,230	770	25.7	3,020	2,340	680	22.5
San Juan	3,920	3,460	460	11.7	4,150	3,730	420	10.1
Skagit	30,180	25,110	5,070	16.8	30,570	26,430	4,140	13.5
Skamania	2,390	1,610	780	32.6	2,280	1,820	460	20.2
Stevens	10,540	8,830	1,710	16.2	10,460	9,060	1,400	13.4
Wahkiakum	1,040	870	170	16.3	1,100	950	150	13.6
Walla Walla	23,100	19,680	3,420	14.8	22,870	20,140	2,730	11.9
Wenatchee Labor Area	37,380	32,290	5,090	13.6	37,860	33,340	4,520	11.9
Chelan County 2/	25,540	21,820	3,720	14.6	25,730	22,530	3,200	12.4
Douglas County 2/	11,840	10,470	1,370	11.6	12,130	10,810	1,320	10.9
Whitman	18,040	17,110	930	5.2	18,000	17,170	830	4.6

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Jan Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan-87	Dec-86	Jan-86	Jan-87	Dec-86	Jan-86	Jan-87	Dec-86	Jan-86
TOTAL MANUFACTURING INDUSTRIES#	171,000	$478.40	$482.00	$460.11	39.9	40.1	38.6	$11.99	$12.02	$11.92
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,700	$439.96	$421.76	$431.63	40.4	38.8	37.5	$10.89	$10.87	$11.51
Primary Metal Industries	9,000	$541.45	$551.61	$527.85	42.6	43.4	41.4	$12.71	$12.71	$12.75
Fabricated Metal Products	7,000	$441.22	$447.42	$428.58	38.4	39.7	38.3	$11.49	$11.27	$11.19
##Machinery	16,100	$380.44	$389.20	$371.70	38.9	40.0	38.8	$9.78	$9.73	$9.58
Food and Kindred Products	19,800	$365.37	$366.15	$340.55	36.5	37.4	35.4	$10.01	$9.79	$9.62
Chemical and Allied Products	5,200	$580.15	$602.52	$601.08	41.0	41.9	42.3	$14.15	$14.38	$14.21
##Transportation Equipment	42,400	$585.19	$573.72	$563.48	42.1	42.0	41.1	$13.90	$13.66	$13.71
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	57,800	$581.37	$585.34	$569.23	36.2	37.0	35.4	$16.06	$15.82	$16.08
##Wholesale and Retail Trade (does not include eating and drinking establishments)	268,400	$320.01	$319.26	$308.88	33.3	34.0	33.0	$9.61	$9.39	$9.36

Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Affected by labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE
1980 - 1986 1/

	ANNUAL AVERAGE 2/	January	February	March	April	May	June	July	August	September	October	November	December
1986													
Civilian Labor Force	2,179,000	2,097,800	2,102,400	2,127,000	2,148,500	2,183,000	2,227,800	2,230,600	2,214,600	2,216,100	2,221,300	2,194,600	2,184,200
Total Employment	2,000,000	1,900,800	1,909,100	1,936,900	1,967,600	2,009,800	2,051,400	2,049,100	2,043,800	2,053,900	2,055,700	2,017,800	2,003,900
Total Unemployment	179,000	197,000	193,300	190,100	180,900	173,200	176,400	181,500	170,800	162,200	165,600	176,800	180,300
Percent of Labor Force	8.2	9.4	9.2	8.9	8.4	7.9	7.9	8.1	7.7	7.3	7.5	8.1	8.3
1985													
Civilian Labor Force	2,087,000	2,029,600	2,025,600	2,044,200	2,073,900	2,102,400	2,125,100	2,101,800	2,104,100	2,114,200	2,117,900	2,099,600	2,105,700
Total Employment	1,917,000	1,821,300	1,825,800	1,862,900	1,902,500	1,941,300	1,965,100	1,939,600	1,954,900	1,968,700	1,964,300	1,932,700	1,925,000
Total Unemployment	170,000	208,300	199,800	181,300	171,400	161,100	160,000	162,200	149,200	145,500	153,600	166,900	180,700
Percent of Labor Force	8.1	10.3	9.9	8.9	8.3	7.7	7.5	7.7	7.1	6.9	7.3	7.9	8.6
1984													
Civilian Labor Force	2,051,000	2,026,100	2,024,900	2,031,000	2,045,100	2,061,700	2,091,500	2,060,800	2,053,600	2,057,700	2,074,600	2,044,800	2,040,300
Total Employment	1,857,000	1,790,600	1,804,800	1,825,300	1,845,100	1,870,700	1,902,800	1,871,800	1,873,500	1,889,800	1,899,400	1,861,600	1,848,700
Total Unemployment	194,000	235,500	220,100	205,700	200,000	191,000	188,700	189,000	180,100	167,900	175,200	183,200	191,600
Percent of Labor Force	9.5	11.6	10.9	10.1	9.8	9.3	9.0	9.2	8.8	8.2	8.4	9.0	9.4
1983													
Civilian Labor Force	2,069,000	2,010,800	2,017,200	2,050,600	2,064,800	2,080,100	2,128,300	2,084,200	2,086,300	2,092,400	2,092,000	2,065,300	2,056,100
Total Employment	1,838,000	1,731,200	1,744,600	1,783,100	1,820,300	1,847,100	1,904,100	1,862,500	1,870,100	1,899,600	1,895,500	1,855,900	1,842,000
Total Unemployment	231,000	279,600	272,600	267,500	244,500	233,000	224,200	221,700	216,200	192,800	196,500	209,400	214,100
Percent of Labor Force	11.2	13.9	13.5	13.0	11.8	11.2	10.5	10.6	10.4	9.2	9.4	10.1	10.4
1982													
Civilian Labor Force	2,024,000	1,971,600	1,983,200	2,006,400	2,022,500	2,039,500	2,070,300	2,039,800	2,030,700	2,041,900	2,037,800	2,019,900	2,024,500
Total Employment	1,779,000	1,724,600	1,734,000	1,762,800	1,781,800	1,795,500	1,826,900	1,795,800	1,790,400	1,811,400	1,797,400	1,766,100	1,761,400
Total Unemployment	245,000	247,000	249,200	243,600	240,700	244,000	243,400	244,000	240,300	230,500	240,400	253,800	263,100
Percent of Labor Force	12.1	12.5	12.6	12.1	11.9	12.0	11.8	12.0	11.8	11.3	11.8	12.6	13.0
1981													
Civilian Labor Force	1,996,000	1,965,900	1,972,600	1,984,900	1,992,200	1,998,600	2,037,300	2,004,800	1,996,600	2,009,600	2,011,100	1,983,400	1,994,800
Total Employment	1,806,000	1,777,300	1,780,800	1,797,900	1,810,400	1,822,200	1,851,900	1,818,500	1,813,100	1,834,100	1,822,700	1,777,700	1,765,400
Total Unemployment	190,000	188,600	191,800	187,000	181,800	176,400	185,400	186,300	183,500	175,500	188,400	205,700	229,400
Percent of Labor Force	9.5	9.6	9.7	9.4	9.1	8.8	9.1	9.3	9.2	8.7	9.4	10.4	11.5
1980													
Civilian Labor Force	1,984,000	1,929,400	1,940,100	1,964,800	1,980,300	1,999,400	2,032,600	1,995,400	1,982,100	2,002,800	2,003,600	1,983,800	1,993,800
Total Employment	1,828,000	1,763,100	1,789,600	1,818,800	1,830,200	1,851,400	1,869,900	1,834,800	1,833,300	1,855,200	1,849,900	1,821,600	1,818,200
Total Unemployment	156,000	166,300	150,500	146,000	150,100	148,000	162,700	160,600	148,800	147,600	153,700	162,200	175,600
Percent of Labor Force	7.9	8.6	7.8	7.4	7.6	7.4	8.0	8.0	7.5	7.4	7.7	8.2	8.8

1/ Prepared in cooperation with the U.S. Bureau of Labor Statistics and the Employment and Training Administration.
2/ Annual average data are from the Current Population Survey.

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1986
(in thousands) (Benchmarked: March, 1986)

1986
Preliminary

Industry	Annual Average _2/	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1770.2	1,710.9	1,718.0	1,736.7	1,757.1	1,775.0	1,790.1	1,775.0	1,782.4	1,804.7	1,803.5	1,796.9	1,791.6
Manufacturing	304.2	297.4	298.5	300.3	303.5	305.3	305.5	302.7	309.1	311.4	309.1	305.1	302.1
Durable Goods	212.6	209.1	210.0	211.3	213.2	213.8	213.5	211.4	213.7	214.8	214.3	213.8	211.9
Lumber & Wood Products	37.9	36.9	36.5	36.8	37.5	38.7	39.5	36.9 _1/	38.9	39.3	38.8	37.8 _1/	37.4
Furniture & Fixtures	3.9	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.9	3.9	4.1	4.1	4.0
Stone, Clay & Glass	6.3	5.8	5.9	6.0	6.2	6.3	6.5	6.7	6.6	6.6	6.6	6.3 _1/	6.1
Primary Metals	11.8	12.2	12.1	12.1	12.3	12.3	11.1 _1/	11.4	11.4 _1/	11.4 _1/	11.6	11.6	11.5
Aluminum	7.6	8.1	8.0	8.1	8.1	8.1	7.0 _1/	7.2	7.2 _1/	7.2 _1/	7.6	7.6	7.5
Fabricated Metals	10.0	9.7	9.6	9.7	9.8	9.9	9.9	10.1	10.4	10.6	10.2	10.0	9.5
Machinery	30.1	31.8	32.5	32.4	32.1	31.1	30.3	29.2	28.7	28.6	28.1	28.0	28.0
Machinery (Exc. Elec.)	17.7	19.5	20.2	19.9	19.5	18.6	17.8	16.8	16.4	16.3	15.9 _1/	15.9 _1/	16.0 _1/
Electrical Equip.	12.3	12.3	12.3	12.5	12.6	12.5	12.5	12.4	12.3	12.3	12.2	12.1	12.0
Transportation Equip.	97.7	93.8	94.5	95.3	96.4	96.7	97.3	98.2	98.8	99.5	100.1	101.3	100.7
Aerospace	85.0	80.7	81.7	82.5	83.3	83.9	84.6	85.9	86.7	87.1	87.5	88.2	88.2
Other Transp. Equip.	12.7	13.1	12.8	12.8	13.1	12.8	12.7	12.3	12.1	12.4	12.6	13.1	12.5 _1/
Instruments & Related	10.4	10.6	10.6	10.6	10.5	10.5	10.6	10.6	10.4	10.3	10.1	9.9	9.9
Misc. Manufacturing	4.6	4.5	4.5	4.6	4.6	4.5	4.5	4.5	4.6	4.6	4.7	4.8	4.8
Nondurable Goods	91.6	88.3	88.5	89.0	90.3	91.5	92.0	91.3	95.4	96.6	94.8	91.3	90.2
Food & Kindred Products	30.5	28.2	28.5	28.8	30.0	30.8	30.6	29.3	33.4	34.5	32.8	30.0	28.7
Canned & Preserved Foods	11.0	9.2	9.6	9.8	11.0	11.3	11.1	9.7	13.1	14.3	12.8	10.5	9.0
Apparel & Allied Products	6.1	6.1	6.0	5.9	5.6	5.7	5.8	6.2	6.4	6.4	6.5	6.1	6.0
Paper & Allied Products	16.9	16.5	16.4	16.4	16.6	16.7	17.1	17.6	17.4	17.3	17.0	17.0	17.2
Printing & Publishing	18.7	18.1	18.3	18.4	18.5	18.7	18.8	18.7	18.6 _1/	18.8	19.0	18.9	19.0
Chemicals & Allied Product	11.5	11.5	11.4	11.5	11.5	11.5	11.6	11.6	11.6	11.6	11.6	11.4	11.5
Other Nondurable Goods	8.0	7.9	7.9	8.0	8.1	8.1	8.1	7.9	8.0	8.0	7.9	7.9	7.8
Nonmanufacturing	1466.0	1,413.5	1,419.5	1,436.4	1,453.6	1,469.7	1,484.6	1,472.3	1,473.3	1,493.3	1,494.4	1,491.8	1,489.5
Mining & Quarrying	2.9	2.6	2.6	2.8	3.0	3.0	3.0	3.0	3.1	3.0	2.9	2.8	2.8
Construction	85.2	74.1	75.1	78.9	81.8	85.6	89.1 _1/	90.3 _1/	93.4	93.5	91.4	86.6	83.5
Transp., Comm. & Util.	95.8	94.4	93.6	94.1	94.6	95.1	96.3 _1/	97.0	97.6	98.0	96.7	96.0	95.6 _1/
Trade	434.7	418.4	416.2	421.3	427.0	433.2	440.4	439.7	442.6	445.1	441.4	443.7	447.3
Wholesale Trade	107.3	102.9	104.0	104.9	105.9	106.4	108.1 _1/	108.2	109.2	110.6	110.1	109.3	108.5
Retail Trade	327.4	315.5	312.2	316.4	321.1	326.8	332.3	331.5	333.4	334.5	331.3	334.4	338.8
Finance, Ins. & Real Est.	105.2	102.1	102.6	103.3	104.2	105.3	106.2	106.7	107.0	107.2	106.2	105.7	106.0
Services	393.0	375.8	379.4	384.4	391.1	393.9	394.6	395.7	397.7	402.4	400.9	399.6	399.9
Health Services	122.0	118.6	119.0	120.0	120.9	121.2	122.3	123.3	123.3	123.6	123.6	124.0	124.6
Government	349.3	346.1	350.0	351.6	351.9	353.6	356.0	339.9	331.9	344.1	354.9	357.4	354.4
Federal	70.1	68.8	68.8	68.5	69.0	69.2	69.6	72.9	71.5	71.2	70.6	70.5	70.7
State & Local	279.2	277.3	281.2	283.1	282.9	284.4	286.4	267.0	260.4	272.9 _1/	284.3	286.9	283.7
Education	146.3	150.4	153.6	154.4	153.5	153.8	149.9	124.4	117.1	137.7 _1/	152.8	155.2	153.0
Workers in Labor/ Management Disputes	0.7	0.0	0.0	0.0	0.0	0.0	2.3	3.2	0.5	0.5	0.1	0.4	1.0

_1/ Workers excluded because of involvement in labor-management disputes
_2/ Detail may not add due to rounding

STATE OF WASHINGTON
EMPLOYMENT SECURITY DEPARTMENT

NONAGRICULTURAL WAGE AND SALARY WORKERS IN WASHINGTON STATE, 1985

(in thousands) (Benchmarked: March, 1986)

1985
Revised

Industry	Annual Average _2/	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
TOTAL	1710.4	1,648.0	1,649.5	1,671.3	1,695.9	1,712.4	1,730.5	1,716.1	1,732.9	1,747.9	1,748.9	1,738.6	1,732.8
Manufacturing	295.5	284.5	286.0	289.5	291.2	292.9	294.5	297.3	302.8	305.0	304.0	300.3	298.5
Durable Goods	204.9	198.3	200.1	201.9	203.1	203.6	204.5	205.5	207.5	208.5	209.0	208.9	208.3
Lumber & Wood Products	38.3	36.1 _1/	36.4	36.7	37.4	38.3	39.3	40.3	40.5	40.4	39.3	38.1	36.4
Furniture & Fixtures	3.8	3.7	3.7	3.8	3.8	3.8	3.7	3.8	3.7	3.8	4.0	3.9	3.9
Stone, Clay & Glass	6.4	5.9	5.9	6.2	6.5	6.5	6.6	6.7	6.8	6.7	6.7	6.4	6.1
Primary Metals	12.7	13.2	13.0	13.0	12.9	12.8	12.8	12.8	12.7	12.7	12.5	12.3	12.2
Aluminum	8.5	8.8	8.6	8.7	8.8	8.7	8.6	8.5	8.4	8.4	8.2	8.1	8.1
Fabricated Metals	9.7	9.3	9.2	9.3	9.3	9.4	9.5	9.8	10.2	10.3	10.2	10.0	9.8
Machinery	29.2	28.7	29.3	29.3	29.1	28.4	28.4	27.8	28.2	28.6	30.0	30.7	31.9
Machinery (Exc. Elec.)	17.1	16.4	17.2	17.1	16.9 _1/	16.3	16.3	15.9	16.2	16.4	17.9	18.6 _1/	19.7
Electrical Equip.	12.1	12.3	12.1	12.2	12.2	12.1	12.1	11.9	12.0	12.2	12.1	12.1	12.2
Transportation Equip.	89.6	86.2	87.4	88.4	88.8	88.9	88.8	89.0	90.0	91.1	91.3	92.4	92.8
Aerospace	76.1	72.0	73.3	73.8	74.3	74.7	75.1	76.2	77.0	77.9	78.7	79.8	80.0
Other Transp. Equip.	13.5	14.2	14.1	14.6	14.5	14.2	13.7	12.8	13.0	13.2	12.6	12.6	12.8
Instruments & Related	10.7	10.6	10.7	10.7	10.8	11.0	11.0	10.9	10.9	10.6	10.5	10.5	10.6
Misc. Manufacturing	4.5	4.6	4.5	4.5	4.5	4.5	4.4	4.4	4.5	4.3	4.5	4.6	4.6
Nondurable Goods	90.6	86.2	85.9	87.6	88.1	89.3	90.0	91.8	95.3	96.5	95.0	91.4	90.2
Food & Kindred Products	31.1	28.0	27.8	29.0	29.6	30.6	31.2	31.7	34.9 _1/	35.7	34.4	30.9	29.7
Canned & Preserved Foods	11.3	8.9	8.8	9.6	10.6	11.1	11.5	11.5	13.9	14.8	14.0	11.0	9.6
Apparel & Allied Products	6.2	6.4	6.2	6.2	5.9	5.9	5.8	6.2	6.2	6.4	6.5	6.6	6.5
Paper & Allied Products	16.7	16.4	16.4	16.5	16.5	16.5	16.6 _1/	17.1 _1/	17.2	17.2	16.9	16.7	16.9
Printing & Publishing	17.6	17.3	17.3	17.4	17.5	17.5	17.6	17.7	17.7	17.8	17.8	17.9	17.9
Chemicals & Allied Product	11.3	10.7	10.8	11.0	11.1	11.2	11.3	11.3	11.4	11.6	11.7	11.6	11.6
Other Nondurable Goods	7.6	7.4	7.4	7.5	7.5	7.6	7.5	7.8	7.9	7.8	7.7	7.7	7.6
Non-Manufacturing	1,414.9	1,363.5	1,363.5	1,381.8	1,404.7	1,419.5	1,436.0	1,418.8	1,430.1	1,442.9	1,444.9	1,438.3	1,434.3
Mining & Quarrying	2.7	2.4	2.4	2.5	2.6	2.6	2.7	2.9	3.0	3.0	2.8	2.7	2.5
Construction	80.6	69.5	68.8	74.0	77.0	80.5	83.8	86.6	90.1	89.8	87.4	81.9	77.2
Transp., Comm. & Util.	93.6	89.4	89.4	90.2 _1/	91.9 _1/	93.3 _1/	95.6 _1/	95.8	96.5	97.1	95.2	94.0	94.7
Trade	420.6	408.2	402.4	407.1	413.7	419.7	427.1	424.9	429.4	430.9	424.8	428.0	431.2
Wholesale Trade	105.7	102.7	102.5	104.0	105.5	105.7	107.9	106.8	107.3	108.4	106.9	105.9	104.4
Retail Trade	315.0	305.5	299.9	303.1	308.2	314.0	319.2	318.1	322.1	322.5	317.9	322.1	326.8
Finances, Ins. & Real Est.	99.6	96.6	96.7	97.4	98.4	99.1	100.0	101.1	101.6	101.9	100.9	100.7	101.1
Services	375.1	357.4	359.8	364.7	372.9	375.5	377.3	379.2	382.9	385.9	383.7	380.7	380.6
Health Services	117.4	114.6	114.6	115.3	115.8	116.5	117.5	118.7	119.1	119.5	118.9	118.9	119.4
Government	342.8	340.0	344.0	345.9	348.2	348.8	349.5	328.3	326.6	334.3 _1/	350.1	350.3	347.0
Federal	70.1	68.4	68.5	68.7	70.2	70.2	70.8	71.3	71.4	71.0	70.2	70.2	69.8
State & Local	272.7	271.6	275.5	277.2	278.0	278.6	278.7	257.0	255.2	263.3 _1/	279.9	280.1	277.2
Education	143.6	149.1	152.2	152.5	152.1	151.7	146.9	119.5	116.7	130.5 _1/	150.4	152.3	149.6
Workers in Labor/ Managment Disputes	0.7	0.1	0.0	0.7	0.7	0.7	1.3	0.4	0.2	3.7	0.0	0.1	0.0

_1/ Workers excluded because of involvement in labor-management disputes
_2/ Detail may not add due to rounding

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Washington
LABOR MARKET

March 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Volume 11, Number 3

Highlights

Unemployment Stable

Estimates of total employment and unemployment in Washington State were little changed between January and February with employment down 700 and the jobless rate at 9.2 percent in both months and identical to its February 1986 rate. Nationally, total unemployment edged down from 7.3 to 7.2 percent over the month and was down from 7.8 percent in February 1986.

Estimates Conflict

In contrast to the total employment estimate, which is heavily influenced by a sample of only 800 households in this state that are included in the national monthly Current Population Survey (CPS), nonagricultural wage and salary employment rose 5,000 between January and February. The nonfarm wage and salary estimate is based on a monthly establishment survey of about 5,600 firms in the state which employ approximately 50 percent of all wage and salary workers and is undoubtedly a more accurate

	Feb. 1987* (Prel.)	Jan. 1987* (Rev.)	Feb. 1986
Civilian Labor Force	2,179,000	2,179,900	2,102,400
Total Employment	1,978,200	1,978,900	1,909,100
Total Unemployment	200,800	201,000	193,300
State Unemployment Rate	9.2	9.2	9.2
National Civilian Unemployment Rate	7.2	7.3	7.8

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

barometer of employment trends than the CPS based total employment estimate. While total employment includes agricultural employment and self-employed individuals, nonagricultural payrolls account for over 85 percent of total employment. Farm employment likely increased slightly in February, and with nonfarm payrolls up 5,000, it is probable that a larger household sample for this state would have reflected an expansion in total employment as well. Federal budget constraints, however, have limited the ability of the Bureau of Labor Statistics, U.S. Department of Labor, to expand the CPS sample to provide more accurate state estimates.

Education and Service Payrolls Expand

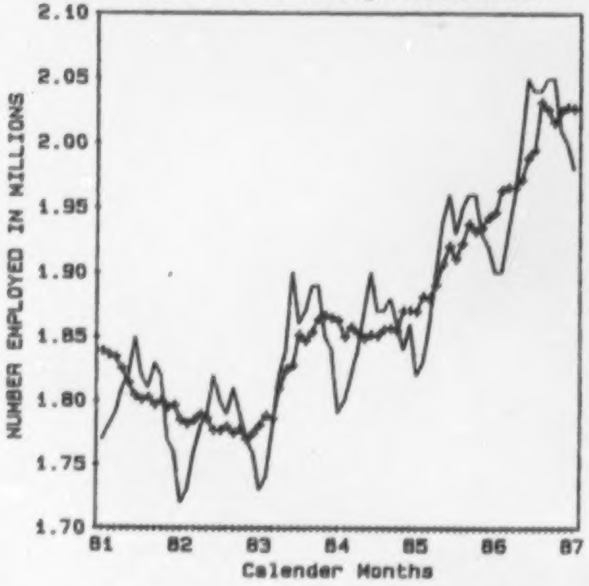
Public education and the service industries were credited with the largest gains in nonfarm payroll employment in February. Public education employment moved up 3,000. The increase, however, mainly represented the rehiring of student employees at colleges and nonteaching elementary and secondary school employees who had been laid off between terms. Public education employment fell from 155,200 in November to 153,000 in December and to 151,300 in January before increasing to 154,300 in February. Private schools and colleges also rehired workers laid off between terms and helped boost employment in services 3,300 in February. Other seasonal expansions in services included agricultural services where tree pruning was in high gear and at firms which prepare income tax returns for businesses and individuals. Amusements also contributed to the expansion with higher employment reported by golf courses and bowling lanes. Ski resorts, however, had lower employment.

Retail Trade Lower But Spring In The Air

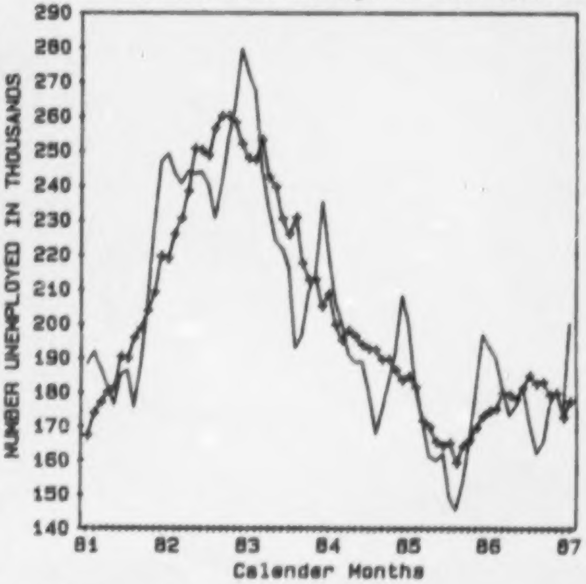
Partially offsetting growth in public education and services, employment in retail trade fell 3,200. The loss was seasonal and reflected the end of January sales and inventory work at department and apparel stores. Cushioning these losses were gains at hardware-building supply stores and at restaurants and other eating and drinking places which began to expand from their winter lows. Wholesale trade also reflected the approach of spring with a gain of 400: nearly all of the increase was at fruit and vegetable warehouses which began distributing fresh produce from the Southwest. Transportation, communications and utilities (up 300) also began its seasonal expansion with trucking payrolls edging higher.

Construction employment moved up 200 in February with most of the increase in homebuilding which continues to be favored by low mortgage rates. Growth in the building trades, however, was well below normal for February, possibly because exceptionally mild weather in January allowed work to continue on projects which normally would have been shut down by harsh weather. Since work was not interrupted, there was no recovery in February.

STATE TOTAL EMPLOYMENT
JANUARY 1981 Through JANUARY 1987



STATE TOTAL UNEMPLOYMENT
JANUARY 1981 Through JANUARY 1986



+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

Manufacturing Payrolls Stable

Manufacturing employment (down 100) changed little between January and February although there were signs of the beginning of seasonal expansions: lumber employment was up slightly with logging employment beginning to expand, while firms producing fertilizer added workers to boost chemicals employment 100. Aerospace added 400 in February to continue its expansion, but the increase was offset by a loss in aluminum employment which resulted from the closure of the Commonwealth Aluminum plant in Goldendale.

Strong Growth Over The Year

Contrasting with the pedestrian changes over the month, nonfarm wage and salary payrolls were up 51,900, or three percent, over the year. Nearly all of the gain occurred in the nonmanufacturing industries. Employment in the service industries rose 19,900 to account for over one-third of the year-to-year gain. Among the faster growing segments of this industry were health studios and clubs, management and consulting services, and clinics which help people addicted to drugs, alcohol and tobacco. Retail trade employment rose 12,000 over the year to post the next largest gain. Eating and drinking places continued to expand at a fast pace and accounted for one-fourth of the overall growth in retail payrolls. Grocery stores also recorded a substantial gain because of expanded operating hours and a broader product line at larger stores. Miscellaneous retail trade was credited with a healthy gain because of the opening of more specialty shops. Building material-hardware stores employment expanded as low mortgage rates have encouraged both new construction and remodeling. Furniture dealers also added to their payrolls with increased business related to the pick up in new home construction and remodeling.

Weather Helps Construction

Construction employment was up 5,700 over the year. While the gain was largely due to an expansion in home building, the increase benefited from exceptionally mild weather this winter. Increased home construction also helped the finance, insurance, and real estate industry where employment rose 3,800 over the year. Two-thirds of the expansion was in real estate payrolls. Insurance employment also picked up, but employment in banking was lower.

In the manufacturing industries, aerospace payrolls were up 7,200, or nine percent, over the year, but the net gain in manufacturing was only 1,000 because of losses in other industries. Nonelectrical machinery employment fell 4,000 over the year to post the largest drop. Much of the decline resulted from the end of work on equipment for the oil fields in Alaska. Oil field development activity was sharply reduced in Alaska and elsewhere because of the large drop in petroleum prices early last year. Food and kindred products employment fell 1,300 year to year with automation beginning to reduce employment needs at canneries. Primary metals jobs were down 1,100 because of plant closures, including aluminum smelters in Vancouver and Goldendale. Although widely promoted as the answer to cutbacks in more traditional manufacturing industries, "high-tech" did not fare well over the year: employment in instruments dropped 700, or 6.6 percent, because of lower demand and increased competition.

Offsetting losses in manufacturing besides aerospace were gains of 500 each in pulp and paper products and in printing and publishing. The expansion in pulp and paper was helped by growing foreign demand which resulted from the declining value of the dollar abroad. The increase in publishing appears to be related to population growth and an expanding economy which generated more advertising revenues.

Area Developments

Paralleling statewide developments, unemployment rates changed little over the month in major areas but wide differences persisted. Compared with the statewide rate of 9.2 percent in February, the overall rate in Western Washington was 8.1 percent, but east of the Cascades the rate was 13.0 percent. In counties largely dependent on the lumber industry, the rate was 14.5 percent. Rates in Eastern Washington are exceptionally high in winter months because agriculture and the related food products industry, which are the area's major source of jobs, are at their seasonal lows. The lumber industry is also highly seasonal, but in this industry and the areas which depend upon it, spring and summer will still see a jobless rate at recessionary levels. Lumber demand is strong, but automation has increased productivity in the industry substantially in recent years, eliminating the jobs of thousands of workers.

Unemployment Rate High In Lumber Areas And Eastern Washington--Low In Puget Sound Area

Western Washington, and more specifically the Puget Sound area, owes its relatively low jobless rate to a more diversified economy with a larger proportion of its jobs in industries which are more stable seasonally such as aerospace, international trade, corporate administrative jobs, military base and other government payrolls.

The unemployment rate in the Seattle Metropolitan Area at 6.8 percent was the lowest of the western areas in February followed by the Bremerton Area at 6.9 percent. Tacoma's rate at 9.4 percent was slightly above the statewide average, largely because of the termination of work on equipment for the oil fields in Alaska last year.

In Eastern Washington, Yakima County's jobless rate was 16.6 percent in February. While high it was down from 17.4 percent in January because of a pick up in fruit tree pruning, and well down from its year-earlier rate of 18.4 percent. The over-the-year improvement resulted from more apple packing and shipping activity this February than in February 1986. In February 1986, 1.7 million boxes of apples were shipped from warehouses in the Yakima area versus 3.0 million boxes this February. The 1985 apple crop in the Yakima area was small because of a spring freeze. Spokane Metropolitan Area's unemployment rate was 9.7 percent, about equal to its year-earlier level.

MANUFACTURING INDUSTRIES

Growth In Manufacturing Checked By Imports

Foreign competition continues as the prime concern in manufacturing. Employment has advanced substantially in Washington State as well as in the nation in the last year, but the new jobs have largely occurred in the nonmanufacturing industries where earnings are generally lower than in manufacturing. In Washington State only two percent of the net gain in nonfarm payroll employment between February 1986 and 1987 was in manufacturing. And apart from aerospace, employment in manufacturing actually dropped more than 6,000 over the year. A good share of the loss can be attributed to growing foreign competition, especially in primary metals, including aluminum, electrical and electronic products, shipbuilding, and instruments. Nationally, manufacturing employment actually declined over the year.

Trade Deficit Down In Volume

The effect of the declining dollar on the trade deficit has not been as rapid as many had hoped. Part of the problem has been that the decline in the dollar itself has resulted in higher import prices, so that even given some reduction in volume, imports measured in dollar values have increased making it appear that the problem is becoming worse. In the fourth quarter, the Commerce Department estimated that import prices rose at a 13.9 percent annual rate, pushing up imports measured in current dollars. Measured in volume rather than current dollars, though, the Department estimated that the trade deficit declined slightly in the fourth quarter.

Another perspective is gained by comparing the dollar value of exports with values in terms of the currency of the nations involved. In terms of dollars, West German exports last year rose 32 percent, while Japanese exports were up 19 percent. The West German mark, however, rose 85 percent in terms of the U.S. dollar last year, while the yen jumped 65 percent. Taking this into consideration, it would have been surprising if the dollar value of their exports had declined. In terms of their own currencies, Japanese exports fell 16 percent in 1986 while West German exports declined two percent.

Tariff Imposed On Some Japanese Products

Although there are signs of improvement in the trade deficit, Congress and the Administration are becoming impatient. Legislation is being considered in Congress which would curtail imports from nations which continually export more to this country than they import. Last year the Administration placed tariffs on cedar shingles and shakes and lumber exported from Canada to the U.S. In March, President Reagan imposed a tariff of $300 million on some Japanese goods exported to the U.S. because of Japan's failure to live up to an agreement it made last year on semiconductor trade. Part of the agreement was to stop selling semiconductors below their fair market value. Despite the agreement, Japanese firms continued selling semiconductors abroad at an average of 59.4 to 63.6 percent of their home market price. Japan also agreed to help U.S. companies increase their share of the Japanese semiconductor market to 20 percent. Japan is the world's largest market for semiconductors and U.S. firms now have less than nine percent of that market.

Lumber Production Forecast--Down From 1986 But Up From 1985

A forecast released in March by the Western Wood Products Association sees lumber production in the Western U.S. falling 6.2 percent in 1987, but with production for the year projected at 18.285 billion board feet, it will still be above the 1985 level of 17.338 board feet. The Association does not expect the tax on Canadian lumber to affect the volume of Canadian lumber shipped to the U.S. They noted, however, that the strike of British Columbia woods workers, which lasted nearly five months in 1986, benefited U.S. producers substantially and may remain a factor until spring because of a shortage of logs at some Canadian mills.

The Association forecasts a relatively strong homebuilding industry in 1987 because of good demand, ample mortgage funds, and relatively low mortgage rates. Apartment construction, however, is expected to remain slow because of overbuilding in some areas and changes in tax law. For 1987 housing starts are expected to total 1,750,000 units, down from 1,807,300 in 1986 but up slightly from 1985.

Timber Supply In South Declining?

A U.S. Forest Service study reported that timber production in southern states could drop sharply in the future because of the failure to replant logged-off land in those states. Industry sources in the South disagree saying that if the South maintains is current trend in reforestation, no decline will occur. Most southern states, however, have left replanting and management of timber lands up to private owners. Compounding the problem, 70 percent of the forest land in the south is held in small holdings. In the Northwest, extensive regulations apply to forest management practices, and most of the forest land is in large holdings.

Whether a decline in southern timber production will help the Northwest lumber industry is not certain. According to some analysts, privately owned timber lands in the Northwest lack sufficient capacity to increase production, and it is questionable whether more timber will be available from public lands. Currently the Forest Service wants to cut the annual harvest in the Olympic National Forest from 250 million board feet to 186 million board feet.

Vancouver Smelter To Reopen

Vanalco Inc. announced in late March that they planned to complete purchase of the idle ALCOA aluminum plant in Vancouver on June 1 and restart the smelter in July. The new firm expects to employ 400 to 500 workers. The 47-year-old smelter has been closed since last summer.

Other favorable news in the aluminum industry was the announcement by Reynolds Metals Company that it would restart a potline at its Longview plant in March and add 65 employees. The firm cited an upturn in orders for finished aluminum products as the reason for its expansion.

NONMANUFACTURING INDUSTRIES

Housing Starts Strong

Housing starts in the nation rose to a seasonally adjusted annual rate of 1,851,000 units in February, the highest rate since April 1986 and up 2.6 percent from January. The pick up from January was in single-family units which rose 5.6 percent. Apartment construction remained weak, falling 4.1 percent because of high vacancy rates in some areas and the elimination of tax-shelter incentives in the new tax law. Analysts attributed the strength in single family starts to low mortgage rates. Building permits, a barometer of future construction activity, rose 4.4 percent between January and February.

Mortgage Rates Lowest In Nine Years

Home mortgage rates have dropped to their lowest levels since 1978, but analysts are divided over whether rates will continue to decline or increase. The rate on 30-year conventional mortgages in early March averaged 9.08 percent nationally, down from 10.2 percent one year earlier. Some analysts feel rates are now near their low point because reductions since the beginning of the year have been small. Others believe rates will fall further. Many banks, however, raised their prime lending rates in early April as bond prices fell because of weakness in the dollar in terms of foreign currencies. Lower bond prices, of course, raise the effective interest rates on bonds.

New Home Sales Drop

In contrast to the increase in housing starts and building permits in February and declining mortgage rates, the sale of new single family homes nationally fell 2.7 percent in February following an 8.6 percent drop in January. Sales, however, rose 2.8 percent in the West in February. Most of the reduction occurred in the Northeast and South. A spokesman for the National Association of Homebuilders said that it appeared the market for new homes had peaked but that the market remains strong.

Trade And Services To Expand

Employment in the service group in February began to move up from its annual low, while retail trade was at its annual low. Both industries, however, will be posting seasonal gains from March through the summer months as local and interstate tourist business picks up. While the outlook for both trade and services is promising, it is questionable whether they can maintain their current growth rates. Over the year, retail trade employment was up 3.8 percent in February, while payrolls in the services group rose 5.2 percent.

Tourism Big Business

Tourist business in the state this year will not have the stimulus of the World's Fair in Vancouver B.C. More than one million visitors were estimated to have driven through Washington State to visit EXPO '86. Nonetheless, tourist business is not expected to fall off this year. Some areas, in fact, may actually see tourist business pick up because last year many state residents went to EXPO '86 rather than to vacation spots within the state. According to state tourist officials, tourist business generated $3 billion in revenue last year in Washington State and supported 85,000 jobs in tourist-related businesses.

Layoffs In Trade And Services Too

Although the trade and services industries are among the fastest growing sectors of the economy year in and year out, cutbacks do occur at individual establishments. Group Health Cooperative announced in

February that it would eliminate 50 clerical and management jobs and leave another 70 jobs unfilled because of increasing competition and a decline in enrollments. Layoffs were also announced by the Bon, Allied Stores Corp., to increase efficiency. The reduction involved 100 middle management and staff jobs.

Layoffs Proposed At Hanford And Satsop

Budget proposals for the Washington Public Power Supply System recommend cutting funds to preserve the systems mothballed nuclear plants at Hanford and at Satsop in Grays Harbor County. According to one proposal 341 jobs would be eliminated including 164 at Hanford and 177 at Satsop.

NATIONAL CONTEXT

Small Business To Create Many New Jobs

A survey of 5,000 U.S. firms by Dun and Bradstreet indicated 2.6 million jobs will be created nationally in 1987 with about one-half of them at businesses which employ less than 50 workers. The expected job expansion is equivalent to that of 1986. Firms with under 20 workers are expected to account for 37 percent of the new jobs in 1987, while firms with 20 to 49 workers will create 12.5 percent, according to the survey. The survey also indicated that the nation's largest firms with 25,000 or more workers expect a decline in employment because of restructuring and cost reduction measures.

Consumer Confidence Up

The Conference Board, a business-supported research group, reported consumer confidence rose in February, but consumer plans to buy cars and homes declined. The confidence index rose to 92.3 in February, a gain of more than six points from January when it dropped to 86 after running in the 90s for most of 1986. The index has a 1985 base of 100. The Board's research director commented that consumer confidence is restrained despite the recent upturn, and that while the survey indicates that a recession is unlikely so are prospects for a surge in growth.

Leading Indicators

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose a healthy 0.7 percent in February following a 0.5 percent drop in January and a 2.4 percent gain in December. December's gain was influenced by consumers and businesses who bought in advance of their needs to take advantage of the sales tax deduction and more generous depreciation schedules which were available under last year's tax law. The drop in January was expected because of the jump in December.

Contributing to the gain in the Index in February were a rise in the average workweek, increased orders for consumer goods, higher stock market prices, and a gain in the number of building permits issued. Leading indicators on the negative side in February were the money supply and sensitive material prices which fell, and unemployment claims which rose. The number of firms reporting slower business deliveries declined, which is also considered negative because it implies lower order backlogs.

CONSUMER PRICE INDEX*

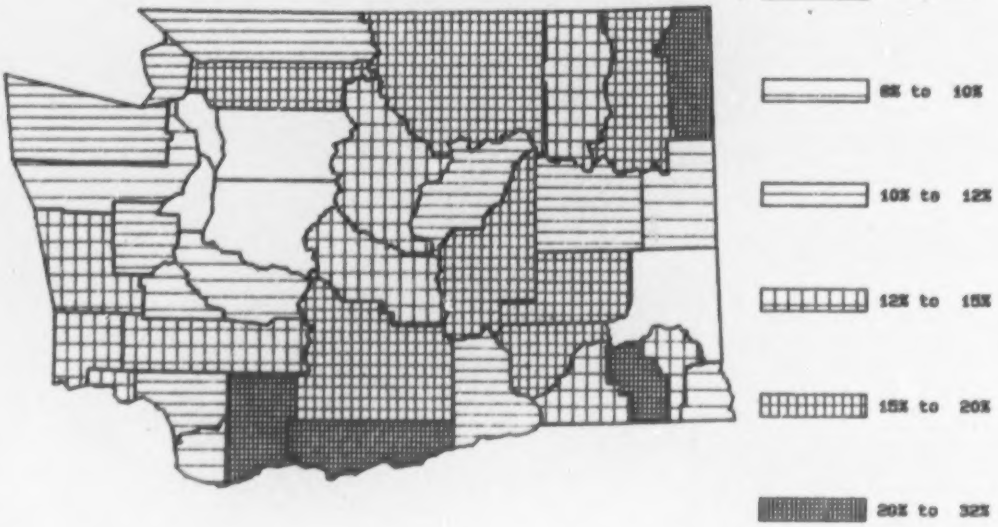
(All Items, Urban Consumers, 1967=100)

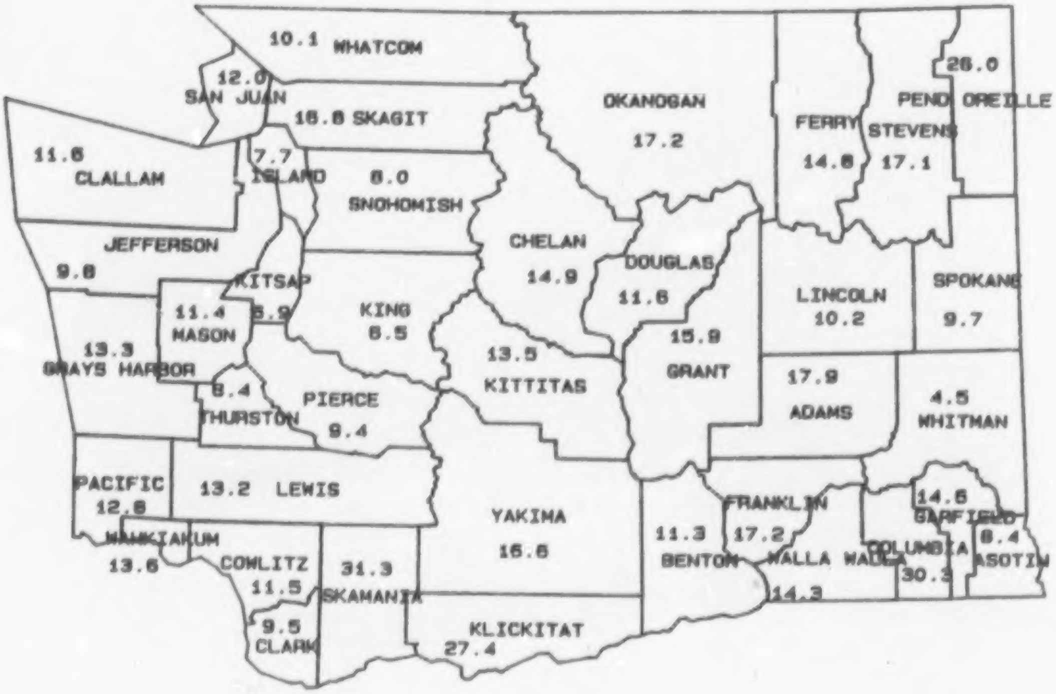
	INDEXES			PERCENT CHANGE Year Ending	
	Feb. 1987	Jan. 1987	Feb. 1986	Feb. 1987	Jan. 1987
U.S. City Average	334.4	333.1	327.5	2.1	1.4

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

FEBRUARY UNEMPLOYMENT RATES

State of Washington 9.2


4% to 8%
8% to 10%
10% to 12%
12% to 15%
15% to 20%
20% to 32%


10.1 WHATCOM
12.0 SAN JUAN
16.8 SKAGIT
11.6 CLALLAM
7.7 ISLAND
8.0 SNOHOMISH
OKANOGAN 17.2
FERRY 14.8
STEVENS 17.1
26.0 PEND OREILLE
JEFFERSON 9.8
KITSAP 6.9
11.4 MASON
KING 6.5
CHELAN 14.9
DOUGLAS 11.6
LINCOLN 10.2
SPOKANE 9.7
13.3 GRAYS HARBOR
8.4 THURSTON
PIERCE 9.4
13.5 KITTITAS
15.9 GRANT
17.9 ADAMS
4.5 WHITMAN
PACIFIC 12.8
13.2 LEWIS
YAKIMA 16.6
WAHKIAKUM 13.6
COWLITZ 11.5
31.3 SKAMANIA
9.5 CLARK
KLICKITAT 27.4
11.3 BENTON
FRANKLIN 17.2
WALLA WALLA 14.3
COLUMBIA 30.3
14.6 GARFIELD
8.4 ASOTIN

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

NOT SEASONALLY ADJUSTED	(In Thousands)				Numerical Change	
Industry	Feb. 1987 (Prel.)	Jan. 1987 (Rev.)	Feb 1986 (Rev.)	Jan 1986 (Rev.)	Jan. 87 to Feb. 87	Feb. 86 to Feb. 87
TOTAL NONAG. WAGE AND SALARY....	1769.9	1764.9	1718.0	1710.9	5.0	51.9
MANUFACTURING..................	299.5	299.6	298.5	297.4	-0.1	1.0
Durable Goods................	211.2	211.0	210.0	209.1	0.2	1.2
Lumber & Wood Products.....	36.4	36.3	36.5	36.9	0.1	-0.1
Furniture & Fixtures.......	3.9	3.9	3.8	3.8	0.0	0.1
Stone, Clay & Glass........	5.9	5.9	5.9	5.8	0.0	0.0
Primary Metals.............	11.0	11.5	12.1	12.2	-0.5	-1.1
Aluminum.................	7.1	7.5	8.0	8.1	-0.4	-0.9
Fabricated Metals..........	9.6	9.5	9.6	9.7	0.1	0.0
Machinery..................	28.2	28.1	32.5	31.8	0.1	-4.3
Machinery (Exc. Elec.)...	16.2 4/	16.1 4/	20.2	19.5	0.1	-4.0
Electrical Equip.........	12.0	12.0	12.3	12.3	0.0	-0.3
Transportation Equip.......	101.8	101.2	94.5	93.8	0.6	7.3
Aerospace................	88.9	88.5	81.7	80.7	0.4	7.2
Other Transp. Equip......	12.9 4/	12.7 4/	12.8	13.1	0.2	0.1
Instruments & Related......	9.9	9.9	10.6	10.6	0.0	-0.7
Misc. Manufacturing........	4.5	4.7	4.5	4.5	-0.2	0.0
Nondurable Goods............	88.3	88.6	88.5	88.3	-0.3	-0.2
Food & Kindred Products....	27.2 4/	27.4	28.5	28.2	-0.2	-1.3
Canned & Preserved Foods.	8.2	8.4	9.6	9.2	-0.2	-1.4
Apparel & Allied Products..	5.9	6.0	6.0	6.1	-0.1	-0.1
Paper & Allied Products....	16.9	17.0	16.4	16.5	-0.1	0.5
Printing & Publishing......	18.8	18.9	18.3	18.1	-0.1	0.5
Chemicals & Allied Products	11.6	11.5	11.4	11.5	0.1	0.2
Other Nondurable Goods 3/..	7.9	7.8	7.9	7.9	0.1	0.0
MINING & QUARRYING	2.8	2.8	2.6	2.6	0.0	0.2
CONSTRUCTION...................	80.8	80.6	75.1	74.1	0.2	5.7
TRANSP.,COMM. & UTIL...........	94.7 4/	94.4 4/	93.6	94.4	0.3	1.1
WHOLESALE & RETAIL TRADE.......	431.6	434.3	416.2	418.4	-2.7	15.4
Wholesale Trade............	107.4	106.9	104.0	102.9	0.5	3.4
Retail Trade...............	324.2 4/	327.4 4/	312.2	315.5	-3.2	12.0
FIN. INS. & REAL ESTATE........	106.4	106.1	102.6	102.1	0.3	3.8
SERVICES.......................	399.3	396.0	379.4	375.8	3.3	19.9
Health Services............	124.0	123.9	119.0	118.6	0.1	5.0
GOVERNMENT.....................	354.8	351.1	350.0	346.1	3.7	4.8
Federal....................	70.3	70.1	68.8	68.8	0.2	1.5
State & Local..............	284.5	281.0	281.2	277.3	3.5	3.3
Education................	154.3	151.3	153.6	150.4	3.0	0.7
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	1.8	1.4	0.0	0.0	0.4	1.8

1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

4/ Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 4/3/87
Benchmark: 1986

	FEBRUARY 1987 PRELIMINARY 1/				JANUARY 1987 REVISED 1/				FEBRUARY 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,179,000	1,978,200	200,800	9.2	2,179,900	1,978,900	201,000	9.2	2,102,400	1,909,100	193,300	9.2
Bellingham MSA	55,500	49,900	5,600	10.1	55,200	49,400	5,800	10.5	53,900	48,200	5,700	10.6
Bremerton MSA	69,600	64,800	4,800	6.9	70,100	65,300	4,800	6.8	69,000	64,700	4,300	6.2
Olympia MSA	71,300	65,300	6,000	8.4	71,000	65,000	6,000	8.5	67,600	62,100	5,500	8.1
Seattle PMSA	977,600	911,300	66,300	6.8	978,900	912,700	66,200	6.8	926,300	862,700	63,600	6.9
King County 2/	777,600	727,200	50,400	6.5	778,300	728,400	49,900	6.4	735,800	688,500	47,300	6.4
Snohomish County 2/	199,900	184,000	15,900	8.0	200,600	184,300	16,300	8.1	190,500	174,200	16,300	8.6
Spokane MSA	162,400	146,600	15,800	9.7	163,600	148,100	15,500	9.5	160,000	144,400	15,600	9.8
Tacoma PMSA	231,800	210,100	21,700	9.4	231,500	209,900	21,600	9.3	225,300	206,800	18,500	8.2
Tri-Cities MSA	67,500	58,900	8,600	12.7	67,000	58,500	8,500	12.7	65,000	57,600	7,400	11.4
Benton County 2/	51,300	45,500	5,800	11.3	51,200	45,200	6,000	11.7	49,700	44,400	5,300	10.7
Franklin County 2/	16,300	13,500	2,800	17.2	15,900	13,400	2,500	15.7	15,300	13,200	2,100	13.7
Vancouver PMSA	103,100	93,300	9,800	9.5	102,900	93,100	9,800	9.5	101,800	92,200	9,600	9.4
Yakima MSA	81,400	67,900	13,500	16.6	80,400	66,400	14,000	17.4	80,100	65,400	14,700	18.4
Adams	6,250	5,130	1,120	17.9	6,090	5,070	1,020	16.7	5,920	4,890	1,030	17.4
Asotin	8,550	7,830	720	8.4	8,560	7,820	740	8.6	7,850	7,040	810	10.3
Clallam	21,490	19,000	2,490	11.6	21,780	19,110	2,670	12.3	20,890	18,400	2,490	11.9
Columbia	1,980	1,380	600	30.3	1,930	1,380	550	28.5	1,860	1,330	530	28.5
Cowlitz	33,550	29,690	3,860	11.5	33,740	29,880	3,860	11.4	32,780	28,050	4,730	14.4
Ferry	2,370	2,020	350	14.8	2,380	2,040	340	14.3	2,530	2,070	460	18.2
Garfield	1,030	880	150	14.6	1,020	870	150	14.7	1,040	870	170	16.3
Grant	23,300	19,600	3,700	15.9	23,770	19,990	3,780	15.9	22,690	19,510	3,180	14.0
Grays Harbor	26,030	22,580	3,450	13.3	25,800	22,280	3,520	13.6	25,110	21,700	3,410	13.6
Island	16,750	15,460	1,290	7.7	16,740	15,450	1,290	7.7	16,620	15,380	1,240	7.5
Jefferson	7,540	6,800	740	9.8	7,540	6,780	760	10.1	7,030	6,340	690	9.8
Kittitas	11,500	9,950	1,550	13.5	11,520	9,980	1,540	13.4	11,450	9,840	1,610	14.1
Klickitat	7,690	5,580	2,110	27.4	7,550	5,650	1,900	25.2	7,480	5,690	1,790	23.9
Lewis	23,980	20,820	3,160	13.2	24,130	20,860	3,270	13.6	22,740	19,450	3,290	14.5
Lincoln	4,310	3,870	440	10.2	4,320	3,900	420	9.7	4,030	3,640	390	9.7
Mason	12,050	10,680	1,370	11.4	12,140	10,690	1,450	11.9	12,070	10,740	1,330	11.0
Okanogan	14,030	11,610	2,420	17.2	14,100	11,630	2,470	17.5	14,060	11,170	2,890	20.6
Pacific	6,500	5,670	830	12.8	6,590	5,710	880	13.4	6,470	5,590	880	13.6
Pend Oreille	3,000	2,220	780	26.0	3,010	2,240	770	25.6	3,540	2,870	670	18.9
San Juan	3,990	3,510	480	12.0	3,980	3,540	440	11.1	4,040	3,610	430	10.6
Skagit	30,240	25,160	5,080	16.8	29,960	24,920	5,040	16.8	31,400	26,980	4,420	14.1
Skamania	2,460	1,690	770	31.3	2,410	1,620	790	32.8	2,340	1,610	730	31.2
Stevens	10,640	8,820	1,820	17.1	10,550	8,860	1,690	16.0	10,830	8,840	1,990	18.4
Wahkiakum	1,100	950	150	13.6	1,070	910	160	15.0	1,260	1,060	200	15.9
Walla Walla	22,950	19,660	3,290	14.3	23,190	19,770	3,420	14.7	22,550	19,440	3,110	13.8
Wenatchee Labor Area	37,370	32,190	5,180	13.9	37,370	32,310	5,060	13.5	36,480	31,190	5,290	14.5
Chelan County 2/	25,570	21,760	3,810	14.9	25,520	21,840	3,680	14.4	25,040	21,080	3,960	15.8
Douglas County 2/	11,810	10,440	1,370	11.6	11,860	10,480	1,380	11.6	11,450	10,110	1,340	11.7
Whitman	18,220	17,400	820	4.5	18,120	17,180	940	5.2	18,350	17,620	730	4.0

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

April 3, 1987
Benchmark: 1986

	FEBRUARY 1987 PRELIMINARY 1/				JANUARY 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,159,500	1,955,900	203,600	9.4	2,171,200	1,968,900	202,300	9.3
Bellingham MSA	55,000	49,300	5,700	10.4	55,100	49,200	5,900	10.7
Bremerton MSA	68,900	64,100	4,800	7.0	69,800	65,000	4,800	6.9
Olympia MSA	70,500	64,500	6,000	8.5	70,600	64,600	6,000	8.5
Seattle PMSA	968,300	901,000	67,300	7.0	974,700	908,100	66,600	6.8
King County 2/	770,200	719,100	51,100	6.6	774,900	724,700	50,200	6.5
Snohomish County 2/	198,200	182,000	16,200	8.2	199,800	183,400	16,400	8.2
Spokane MSA	161,000	145,000	16,000	9.9	163,000	147,400	15,600	9.6
Tacoma MSA	229,800	207,700	22,100	9.6	230,500	208,800	21,700	9.4
Tri-Cities MSA	67,000	58,300	8,700	13.0	66,700	58,200	8,500	12.7
Benton County 2/	50,800	44,900	5,900	11.6	50,900	44,900	6,000	11.8
Franklin County 2/	16,100	13,300	2,800	17.4	15,800	13,300	2,500	15.8
Vancouver PMSA	102,200	92,200	10,000	9.8	102,500	92,700	9,800	9.6
Yakima MSA	80,800	67,100	13,700	17.0	80,100	66,000	14,100	17.6
Adams	6,200	5,070	1,130	18.2	6,070	5,050	1,020	16.8
Asotin	8,470	7,740	730	8.6	8,520	7,780	740	8.7
Clallam	21,320	18,790	2,530	11.9	21,690	19,010	2,680	12.4
Columbia	1,970	1,360	610	31.0	1,930	1,380	550	28.5
Cowlitz	33,280	29,360	3,920	11.8	33,620	29,730	3,890	11.6
Ferry	2,350	2,000	350	14.9	2,370	2,030	340	14.3
Garfield	1,020	870	150	14.7	1,020	870	150	14.7
Grant	23,140	19,380	3,760	16.2	23,690	19,890	3,800	16.0
Grays Harbor	25,830	22,330	3,500	13.6	25,710	22,170	3,540	13.8
Island	16,590	15,290	1,300	7.8	16,670	15,370	1,300	7.8
Jefferson	7,480	6,730	750	10.0	7,510	6,740	770	10.3
Kittitas	11,410	9,840	1,570	13.8	11,480	9,930	1,550	13.5
Klickitat	7,660	5,520	2,140	27.9	7,530	5,620	1,910	25.4
Lewis	23,790	20,590	3,200	13.5	24,040	20,750	3,290	13.7
Lincoln	4,280	3,830	450	10.5	4,310	3,880	430	10.0
Mason	11,950	10,560	1,390	11.6	12,100	10,640	1,460	12.1
Okanogan	13,940	11,480	2,460	17.6	14,060	11,570	2,490	17.7
Pacific	6,460	5,610	850	13.2	6,570	5,680	890	13.5
Pend Oreille	2,990	2,200	790	26.4	3,000	2,230	770	25.7
San Juan	3,960	3,470	490	12.4	3,960	3,520	440	11.1
Skagit	30,030	24,880	5,150	17.1	29,860	24,790	5,070	17.0
Skamania	2,470	1,680	790	32.0	2,400	1,610	790	32.9
Stevens	10,570	8,720	1,850	17.5	10,520	8,820	1,700	16.2
Wahkiakum	1,090	940	150	13.8	1,060	900	160	15.1
Walla Walla	22,780	19,440	3,340	14.7	23,110	19,670	3,440	14.9
Wenatchee Labor Area	37,080	31,830	5,250	14.2	37,240	32,150	5,090	13.7
Chelan County 2/	25,370	21,510	3,860	15.2	25,430	21,730	3,700	14.5
Douglas County 2/	11,710	10,320	1,390	11.9	11,810	10,420	1,390	11.8
Whitman	18,040	17,210	830	4.6	18,040	17,100	940	5.2

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	February Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan-87	Dec-86	Jan-86	Jan-87	Dec-86	Jan-86	Jan-87	Dec-86	Jan-86
TOTAL MANUFACTURING INDUSTRIES*	176,600	$484.41	$481.19	$464.52	40.3	39.9	39.2	$12.02	$12.06	$11.85
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31,100	$435.59	$433.88	$438.70	40.9	40.1	39.1	$10.65	$10.82	$11.22
Primary Metal Industries	8,600	$545.18	$547.80	$541.68	43.2	43.1	41.7	$12.62	$12.71	$12.99
Fabricated Metal Products	7,100	$434.30	$439.27	$444.38	38.4	38.6	39.5	$11.31	$11.38	$11.25
Machinery	16,400	** $385.14	**$378.49	$383.17	39.3	38.7	38.9	$9.80	$9.78	$9.85
Food and Kindred Products	18,900	** $371.51	$366.10	$345.60	37.3	36.5	36.0	$9.96	$10.03	$9.60
Chemical and Allied Products	5,500	$625.83	$576.69	$576.16	43.4	40.9	41.6	$14.42	$14.10	$13.85
Transportation Equipment	42,200	** $620.31	**$618.23	$565.40	42.4	42.2	41.3	#$14.63	#$14.65	$13.69
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	56,900	$584.87	$577.45	$573.16	36.6	35.8	35.6	$15.98	$16.13	$16.10
Wholesale and Retail Trade (does not include eating and drinking establishments)	264,100	** $324.99	**$316.35	$321.73	34.5	33.3	34.3	$9.42	$9.50	$9.38

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Includes effect of pro-rated 12% bonus

5/27/87 S8340-3

Washington

LABOR MARKET

April 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Labor Surplus Areas--Page 11
Distressed Areas--Page 13

Employment Springs Ahead

Spring weather boosted employment in several industries between February and March, and the state's unemployment rate began falling from winter levels. The statewide jobless rate dropped from 9.2 percent in February to 8.9 percent in March. The March rate was unchanged over the year.

Total employment jumped 22,200 over the month with 19,000 of the new jobs in nonagricultural wage and salary employment. Agriculture also began expanding in March. Farm activity during the month included the daffodil bud harvest, potato seed and asparagus planting, hop yard work, tillage and other pre-season work.

Volume 11, Number 4

	Mar. 1987* (Prel.)	Feb. 1987* (Rev.)	Mar. 1986
Civilian Labor Force	2,196,200	2,180,700	2,127,000
Total Employment	2,001,500	1,979,300	1,936,900
Total Unemployment	194,700	201,400	190,100
State Unemployment Rate	8.9	9.2	8.9
National Civilian Unemployment Rate	6.9	7.2	7.5

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Services Lead Expansion

Employment in the services industries moved up 4,800 in March to post the largest gain in the nonmanufacturing industries. Expansions in the services category included firms preparing income tax returns for individuals and businesses who added employees in March with the tax deadline approaching. The beginning of spring yard work, tree pruning and landscaping boosted the job total in agricultural services, while the start of the early tourist season prompted an expansion at hotels and motels.

Retailers See Sunshine

Seasonal factors also boosted trade employment in March. Retail trade payrolls rose 3,200. Hardware and garden supply stores expanded with spring yard work and landscaping beginning. Recreational vehicle dealers also added staff as people started to prepare for summer recreation and vacations. Jobs at restaurants and other eating and drinking places expanded with the early tourist season underway. Gains on the retail level were augmented by an increase of 900 on the wholesale level. Seasonal expansions were noted at firms selling farm supplies and at wholesale fruit and vegetable dealers who were handling more fresh produce from California.

Construction And Government Jobs Up

Construction added 3,300 jobs in March with highway work moving into full gear, and homebuilders encouraged by low interest rates. Spring weather was also partially responsible for a gain in government employment which added 3,200. Outdoor work on roads and highways expanded as did landscape work at public facilities. Public education also contributed to the growth in government as schools rounded out staffing for the remainder of the regular school year.

Canneries Begin Seasonal Expansion

Manufacturing employment moved ahead in March, gaining 2,800 from February. The largest increase was in food products (up 1,100) where food processing plants began work on their first crop of the season, asparagus from California. In April they will shift to asparagus grown in Washington. Other expansions included an increase of 400 in aerospace which continued to grow, but at a slower pace than last year. Lumber firms added 400 workers in March with production running at a high level. Gains of 200 each were credited to pulp and paper, printing-publishing and chemicals.

53,400 New Jobs Over the Year

The year-to-year comparison continues to reflect vigorous growth in the state's economy with nonfarm wage and salary employment up 53,400 or 3.1 percent. Most of the gains continued to be registered in the nonmanufacturing industries. Manufacturing employment accounted for only 2,500 of the new jobs as losses in aluminum, nonelectrical machinery, food products, electrical equipment and instruments partially offset growth in aerospace, pulp-paper, and printing-publishing. On the positive side, aerospace added 6,800 jobs over the year to lead the expansion thanks to a hefty backlog of orders for commercial jetliners. Pulp and paper was 700 above its year-earlier level. In this industry, at least, the decline in the value of the dollar relative to foreign currencies has boosted exports, and much of its expansion can be credited to increased foreign demand. Another factor pushing the paper industry ahead has been demand for paper from the growing number of personal computer users. The printing-publishing industry added 600 workers over the year. Increases in this industry over the long term are related to population growth, but the year-to-year gain likely reflects the positive effect of a strong economy on advertising revenues.

Drop In Oil Prices A Mixed Blessing

The largest loss in manufacturing jobs over the year occurred in nonelectrical machinery which fell 3,800. Most of the drop resulted from the completion of contracts for oil field equipment for Alaska. Oil field development activity was cut back following the sharp drop in petroleum prices last year. Lower petroleum prices boosted retail trade and many other sectors of the state's economy because it resulted in more discretionary income for consumers, but it was not a total gain since trade with Alaska is important to the economy of Washington State.

Aluminum employment dropped 1,000 over the year in Washington State because of the closure of aluminum plants in Vancouver and Goldendale. The Vancouver smelter, however, was purchased by a new firm which plans to reopen it in July. Negotiations are also under way to purchase and reopen the Goldendale smelter by another firm. The nationwide retrenchment in high-tech industries has also been felt in Washington State with year-to-year losses of 400 in electrical equipment and 800 in instruments . Nationally, however, there have been recent signs of a recovery in the computer portion of the industry.

Services Leads New Job Growth

The services industry continued to lead all industries in the creation of new jobs with an increase of 19,800 jobs in the past 12 months to account for over one-third of the state's new nonfarm jobs. Common beliefs aside, not all service jobs are low-paying. Beside cleaners, practical nurses, and child-care workers, the industry employs physicians, lawyers, computer specialists and other professionals. About one-fourth of the new jobs in services occurred in the health care field with the largest expansion at medical laboratories; outpatient care facilities, including those assisting people with alcohol, drug or tobacco use problems; and visiting nurse services. Employment in business services rose nearly as much as it did in medical services. Much of the increase in business services occurred at personnel supply agencies, firms which supply a wide-variety of workers to other businesses while retaining those workers on their own payrolls. Firms contracting for the workers range from administrative offices which may need a temporary accountant or clerk to a lumber mill which wishes to avoid the administrative work of employing workers directly.

Trade and Construction Jobs Up Strongly

Other strong gains over the year in the nonmanufacturing industries included a gain of 11,100 in retail trade with consumers spending remaining strong. Construction payrolls were up 5,000 year-to-year with low-interest rates boosting residential construction, while civilian government payrolls were 7,100 above their year-earlier level. The relative increase in government, however, was well below the overall gain in total nonfarm payroll employment, 2.0 percent versus 3.1 percent.

Transportation Services Up, But Telephone Companies Cut Staffing

Transportation, communications and utilities payrolls rose 1,000 over the year, but the percentage gain was only slightly over one percent. Transportation services (trucking, warehousing, private bus services, etc.) posted most of the gain, as telephone companies pared staffing because of growing competition in the wake of deregulation.

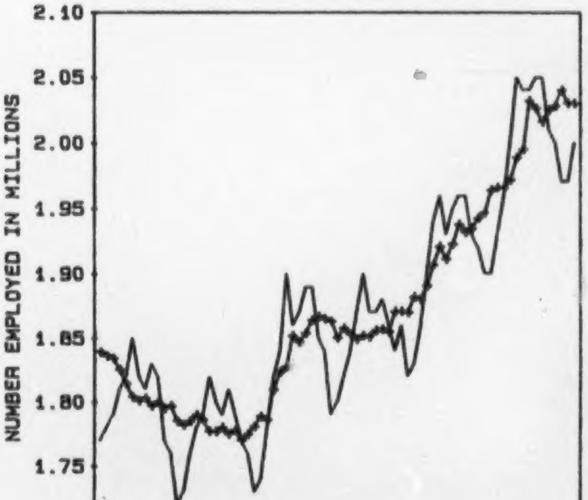
Area Developments

The decline in unemployment between February and March occurred mainly in areas largely dependent on the agriculture, food processing and lumber industries where employment expanded seasonally. Compared with the statewide decline in the jobless rate from 9.2 to 8.9 percent, the rate in Eastern Washington dropped from 13.0 to 12.0 percent largely because of more employment opportunities in agriculture and related industries. The rate in Western Washington, which is less dependent on seasonal industries and where more moderate winter weather results in smaller seasonal fluctuations, fell only slightly, from 8.2 to 8.0 percent. And even in Western Washington, the drop in unemployment was mainly in nonmetropolitan areas which are more dependent on seasonal industries such as lumber and construction.

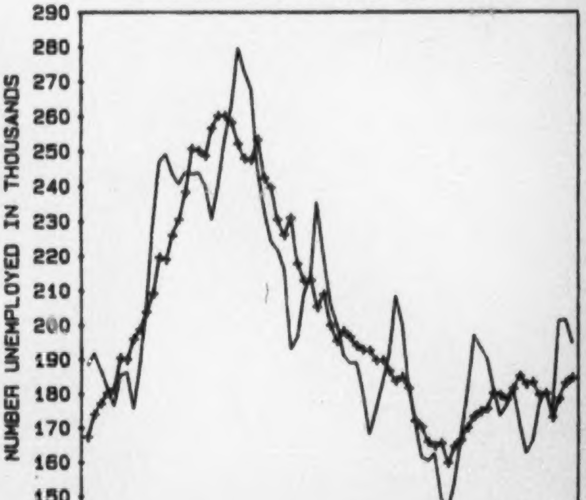
Seattle's Unemployment Rate Unchanged

In the Seattle Metropolitan Area, which has one of the lowest unemployment rates in the state, the rate was unchanged at 6.8 percent between February and March. The expansion in agriculture, food processing and lumber furnished relatively few new employment opportunities there. Moreover, because of Seattle's substantial employment in nonseasonal administrative, trade, service and government jobs, employment changes in construction and other seasonal industries have relatively less impact on the area's jobless rate. By contrast, the rate in Grays Harbor County fell from 13.3 to 12.2 percent, while Clallam County's rate dropped from 11.7 to 10.3 percent because of seasonal growth in lumber and construction.

STATE TOTAL EMPLOYMENT
JANUARY 1981 Through MARCH 1987



STATE TOTAL UNEMPLOYMENT
JANUARY 1981 Through MARCH 1987



+ SEASONALLY ADJUSTED — NOT SEASONALLY ADJUSTED

Unemployment Down In Eastern Washington

East of the Cascades, more jobs in agriculture and food processing lowered the unemployment rate from 16.7 to 14.7 percent in the Yakima area and from 12.7 to 10.5 percent in Tri-Cities area (Benton and Franklin counties). The largest change in Eastern Washington occurred in Columbia County where the rate dropped from 30.7 to 17.1 percent over the month due to an expansion in food processing. Because of the small size of the area's labor force, however, relative changes tend to be large there. Numerically, the number of unemployed workers in the county fell only 230 over the month (from 610 to 380) despite the large change in its unemployment rate. By contrast, unemployment in the Spokane Metropolitan Area fell 800, but the percentage of its labor force unemployed was down only four-tenths of a point, from 9.6 to 9.2 percent.

Unemployment was not down in all areas in Eastern Washington over the month. In the more northern counties where winter weather lingers a few weeks longer and where food processing is less important, unemployment showed little change between February and March. In the Wenatchee area the rate dipped from 13.9 to 13.8 percent, while in the Okanogan area the rate moved up from 17.5 to 18.0 percent.

MANUFACTURING INDUSTRIES

Boeing Earnings Down, But Stable Employment Expected In Puget Sound Area

Employment in aerospace continues to expand but there is little expectation that employment growth in the industry will match last year's pace. The Boeing Company, which accounts for most of the employment in the industry, reported that its net income for the first quarter slid 20 percent over the year because of higher research and development costs and lower profit margins. Overall sales were up over the year in the first quarter, but a Boeing spokesman expects 1987 sales in the $15 billion range compared with $16.34 billion in 1986. He attributed the projected drop mainly to a shift from military production programs to major development programs. Reduced deliveries of 747 jets in 1987 also will reduce sales. Nonetheless, Boeing expects the company's 1987 employment to remain "relatively level" this year in the Puget Sound area. The firm's order backlog was reported at $27 billion.

New Contracts

Through the last week of April, commercial orders for Boeing jetliners for 1987 totaled 82 with a value of $4.8 billion. For the comparable period in 1986, the company had received orders for 101 aircraft valued at approximately $6.4 billion.

Lumber Output And Profits Up

Profitability and production have increased in the lumber industry. The Western Wood Products Association reported year-to-date production in western Oregon and Washington up nearly 16 percent over the year through the week ended April 4, 1987. Meanwhile, Weyerhaeuser Company reported first quarter earnings nearly twice as great as for the comparable period last year. Earning data included profits from the company's pulp-paper and other operations as well as its lumber business. The company's president attributed the increase in earnings to strong markets which have been helped by the decline in the value of the dollar and improved manufacturing efficiency. Most of the company's operations were being run at near capacity. Meanwhile, Boise Cascade, which is also represented in both the lumber and pulp-paper industries, reported its first quarter earning at $40.2 million, up 15 million from the comparable quarter in 1986.

B.C. Lumber Now Faces More Competition In U.S. Market

British Columbia lumber producers have reported strong offshore sales because of the declining value of the Canadian dollar on world markets. Compared with the U.S. dollar, however, the Canadian dollar increased five cents in the first quarter. The gain in terms of U.S. currency and the 15 percent tax on Canadian lumber exported to the U.S., however, have made exports to the U.S. more expensive, which bodes well for U.S. producers.

Pulp-Paper Workers Reject Offer

In the pulp-paper portion of the forest products industry, union employees at Weyerhaeuser's Oregon and Washington paper mills rejected a company offer in April for performance-based pay increases of up to four percent and company pension and medical benefit proposals. No strike deadline was set and negotiations will continue. The union is also negotiating new contracts with Boise Cascade Corporation and International Paper Company.

Todd Workers Get New Offer

Todd Shipyard workers, who narrowly rejected a new contract in early April, were expected to approve a revised offer according to a union official. Shipyard journeyman who formerly earned $13.50 per hour are expected to be paid $12 an hour under the new contract offered by Todd plus profit sharing of at least 25 cents per hour. Newly hired workers, however, would be paid $10 an hour. Lower wages would make the shipyard more competitive with East and Gulf Coast shipyards.

275 Laid Off By Todd

Todd Shipyards laid off 275 workers, or about one-fourth of its production employees, in April. The company blamed the layoffs on Coast Guard modifications in a contract to modernize and rehabilitate eight high-endurance cutters. A Todd spokesman said that the firm needs time to draw up and engineer plans for the changes. The company was also reported to be attempting to renegotiate some of its debts.

Tacoma Boat Reports Profit

Tacoma Boatbuilding, which expects to emerge from bankruptcy by the end of June, reported its fifth consecutive quarterly profit in April but by a narrow $10,000 on sales of $5.6 million. Tacoma Boat recently received a $34 million contract for the conversion of an oceanographic research vessel to a submarine tracking ship and has a $5 million plus contract to partially rehabilitate and oceanliner. The company is seeking contracts to build gunboats and small warships for foreign nations and a U.S. Navy contract to build submarine tracking ships.

Spokane Apparel Firm To Expand

Despite stiff foreign competition in the apparel industry, K-L Manufacturing Company plans to add up to 300 workers at its three Spokane-area plants because of increased business. The company produces garments for major apparel firms such as Levi and Espirit. A spokesman attributed the upturn in orders to the decline in the value of the dollar and restrictions on the import of apparel manufactured abroad.

NONMANUFACTURING INDUSTRIES

Housing Starts Dip

The outlook for construction in 1987 remains favorable, but April housing start data and rising interest rates moderated the outlook of many analysts. National housing starts slipped from a seasonally adjusted annual rate of 1,833,000 units in February to 1,774,000 units in March. An economist for the Mortgage Bankers Association, however, said that the housing market is still doing well and that he expected a reduction from high January and February rates because starts in those months were helped by unseasonally mild weather in some regions. Other analysts, however, said homebuilding could decline in subsequent months because of recent increases in mortgage rates that have yet to be reflected in the housing starts figures.

Mortgage Rates Up

Home mortgage rates, which were at a nine year low in March, rose to over ten percent in April for the first time since October 1986. Analysts attributed the upturn in interest rates to the increase in the prime rate, the falling value of the dollar, and fears of renewed inflation. Many analysts, however, expect interest rates to slip back once concern over the strength of the dollar and a revival of inflation subsides. Other analysts believe that the national economy is too sluggish to support interest rates at their current level.

Weak Dollar To Help Tourist Business

While the weak dollar helped push up interest rates in April, it should benefit the tourist industry. With the value of foreign currencies up 18 to 30 percent in terms of dollars, it will be less expensive for foreigners to vacation in the U.S. than before. In addition, the decline in the dollar's value will make it more expensive for U.S. residents to vacation abroad, which will encourage many to choose domestic over international trips this summer.

The increase in tourist business should help boost retail sales, which are expected to grow less this year because of rising consumer debt and slow growth in personal income. Nationally, retail sales rose a scant 0.2 percent in March following a 4.9 percent surge in February. Some analysts believe April sales were held down because of a late Easter selling season this year, but the U.S. Commerce Department believes retail sales figures in recent months suggest that while retail sales will continue to grow, the growth rate will be slower than in 1986.

Tacoma In Running For Auto Import Center

Tacoma is one of five Northwest ports a Korean Auto Manufacturer, Hyundai Motors, is considering for construction of a $15-20 million auto import center. The other ports being considered are Kalama and Vancouver in Washington and Portland and Astoria in Oregon. The facility would employ 100 to 150 workers. The company currently imports its cars through the ports of Los Angeles and Portland but uses independent auto processing companies to unload and prepare its autos. Hyundai is expected to make its selection soon. The new site may be in operation within 9 to 18 months.

More Cargo Likely For Port Of Tacoma

In April a major steamship company, Maersk Line, decided to halt its stop at Vancouver B.C., which is likely to mean more container business for the Port of Tacoma. The Vancouver B.C. port has been handling about 15,000 containers a year for Maersk. The firm already ships 80,000 to 100,000 containers a year through the Port of Tacoma.

NATIONAL CONTEXT

GNP Rises

A drop in the trade deficit plus an inventory buildup boosted the growth rate in the Gross National Product (GNP), the inflation-adjusted value of the economy's output of goods and services, to 4.3 percent in the first quarter. The increase in the fourth quarter of 1986 was only 1.1 percent. A decline in the trade deficit helped advance the GNP for the second straight quarter. (Recent monthly figures show the deficit increasing, but those data are not adjusted for inflation or seasonal change as the GNP figures are.) Despite the healthy increase in the GNP, however, consumer spending fell for the second consecutive quarter.

While the rate for the first quarter was the largest since the second quarter of 1984, many analysts believe the rate exaggerated the economy's strength. Those down-playing the significance of the rise said the inventory buildup was excessive in light of current demand and that a slowdown in inventory investment is likely in the current quarter, which will restrain growth. Much of the inventory buildup was in the auto industry, which has cut production recently.

Leading Indicators Advance

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose a moderate 0.4 percent in March, matching the February gain. The rise in the Index resulted from higher stock market prices, a drop in new unemployment claims, a rise in new orders for plant and equipment, and a slowdown in the delivery of business goods, which suggests larger order backlogs. A spokesman for the Commerce Department said the increase in the Index is consistent with an annual growth rate of at least three percent in the GNP. The GNP rose 2.5 percent in 1986.

Analysts were generally encouraged by the report. An economist for Data Resources, Inc., a forecasting firm, expects moderate growth this quarter followed by some substantial gains. The large inventory buildup in the first quarter is expected to moderate growth in the second quarter.

Consumer Confidence Up

Along with other generally positive economic data, the Conference Board's monthly index of consumer confidence jumped five points in March to 98.1. The index is based on a survey of 5,000 households with a base year confidence level of 100 in 1985. Over 22 percent of the households in the survey thought jobs were plentiful, up from 20 percent in February. Only 15 percent thought there would be a reduction in the number of jobs available over the next six months. The research director for the Conference Board, a business-supported research group, said that while there is more optimism about the job outlook, consumers are not fully comfortable with current business conditions.

LABOR SURPLUS AREAS

The U.S. Department of Labor has designated "Labor Surplus Areas" for the Federal Fiscal Year beginning October 1, 1986 and ending September 30, 1987. The issuance of this listing was delayed until April of this year because the Department of Labor had to implement changes in the law governing eligibility, which reduced the minimum population size for labor surplus areas from 50,000 to 25,000. Listings of labor surplus areas for the fiscal year beginning October 1, 1987 should be released prior to that time and will be published in the Washington Labor Market.

Employers in labor surplus areas are eligible for preference in federal contract bids if they agree to perform over 50 percent of the contract work within such areas. The purpose of identifying labor surplus areas is to channel federal government procurement dollars into communities with high unemployment. All counties and cities with populations of at least 25,000 are eligible for the classification provided their average unemployment rate has been above a certain level in the last two complete calendar years.

To be classified as a labor surplus area for the October 1, 1986 to September 30, 1987 period, an area needed an average unemployment rate of at least nine percent for the 24-month period of January 1984 through December 1985. An exceptional circumstances provision, however, allows the U.S. Department of Labor to classify other areas as labor surplus areas if unemployment rises substantially because of recent developments such as plant closures, contract cancellations, natural disasters, and other unforseen circumstances.

The following table identifies current labor surplus areas in Washington State.

LABOR SURPLUS AREAS
ELIGIBLE FOR FEDERAL PROCUREMENT PREFERENCE
FROM OCTOBER 1 1986 THROUGH SEPTEMBER 30, 1987

ELIGIBLE LABOR SURPLUS AREAS	CIVIL JURISDICTIONS INCLUDED
WASHINGTON	
ADAMS COUNTY	ADAMS COUNTY
ASOTIN COUNTY	ASOTIN COUNTY
BELLINGHAM CITY	BELLINGHAM CITY IN WHATCOM COUNTY
BALANCE OF BENTON COUNTY	BENTON COUNTY LESS KENNEWICK CITY AND RICHLAND CITY
CHELAN COUNTY	CHELAN COUNTY
CLALLAM COUNTY	CLALLAM COUNTY
COLUMBIA COUNTY	COLUMBIA COUNTY
BALANCE OF COWLITZ COUNTY	COWLITZ COUNTY LESS LONGVIEW CITY
DOUGLAS COUNTY	DOUGLAS COUNTY
EVERETT CITY	EVERETT CITY IN SNOHOMISH COUNTY
FERRY COUNTY	FERRY COUNTY
FRANKLIN COUNTY	FRANKLIN COUNTY
GRANT COUNTY	GRANT COUNTY
GRAYS HARBOR COUNTY	GRAYS HARBOR COUNTY
JEFFERSON COUNTY	JEFFERSON COUNTY
KENNEWICK CITY	KENNEWICK CITY IN BENTON COUNTY
KITTITAS COUNTY	KITTITAS COUNTY
KLICKITAT COUNTY	KLICKITAT COUNTY
LEWIS COUNTY	LEWIS COUNTY
LONGVIEW CITY	LONGVIEW CITY IN COWLITZ COUNTY
MASON COUNTY	MASON COUNTY
OKANOGAN COUNTY	OKANOGAN COUNTY
PACIFIC COUNTY	PACIFIC COUNTY
PEND OREILLE COUNTY	PEND OREILLE COUNTY
RICHLAND CITY	RICHLAND CITY IN BENTON COUNTY
SKAGIT COUNTY	SKAGIT COUNTY
SKAMANIA COUNTY	SKAMANIA COUNTY
STEVENS COUNTY	STEVENS COUNTY
TACOMA CITY	TACOMA CITY IN PIERCE COUNTY
VANCOUVER CITY	VANCOUVER CITY IN CLARK COUNTY
WAHKIAKUM COUNTY	WAHKIAKUM COUNTY
WALLA WALLA CITY	WALLA WALLA CITY IN WALLA WALLA COUNTY
BALANCE OF WHATCOM COUNTY	WHATCOM COUNTY LESS BELLINGHAM CITY
YAKIMA CITY	YAKIMA CITY IN YAKIMA COUNTY
BALANCE OF YAKIMA COUNTY	YAKIMA COUNTY LESS YAKIMA CITY

DISTRESSED AREAS

A number of state programs are available to assist areas with high unemployment. Eligible areas are termed distressed. A distressed area is an area which has an average unemployment rate for the last three complete calendar years that is at least 20 percent above the comparable statewide average. The determination of distressed areas last year was based on unemployment data from January 1983 through December 1985. An area then needed a rate of at least 11.5 percent to be classified as distressed. The latest classifications are based on unemployment data from January 1984 through December 1986. This year a distressed area must have a three-year average rate of at least 10.3 percent. The latest calculations did not result in any areas being added or dropped from the distressed classification.

Distressed areas qualify for a variety of benefits, such as loans and grants to attract or retain businesses, financing infrastructure improvements, and matching funds to stimulate private investments. Firms building manufacturing plants in distressed areas are eligible for sales and use tax deferrals, and employers in these areas are eligible for special benefits for hiring unemployment insurance and public assistance recipients.

Areas classified as distressed are identified in the following table.

Washington State Employment Security Department
Labor Market and Economic Analysis Branch

	Three Year Average Unemployment Rate (Jan. 84 - Dec. 86)	Distressed Areas: Unemployment Rate >= 10.3
WASHINGTON STATE	8.6	
Adams	12.0	Adams
Asotin	9.1	
Benton	10.9	Benton
Chelan	12.9	Chelan
Clallam	10.8	Clallam
Clark	8.8	
Columbia	16.1	Columbia
Cowlitz	11.7	Cowlitz
Douglas	10.0	
Ferry	14.9	Ferry
Franklin	12.3	Franklin
Garfield	8.6	
Grant	11.7	Grant
Grays Harbor	13.5	Grays Harbor
Island	7.3	
Jefferson	8.8	
King	6.7	
Kitsap	6.3	
Kittitas	11.3	Kittitas
Klickitat	15.0	Klickitat
Lewis	12.8	Lewis
Lincoln	6.3	
Mason	9.3	
Okanogan	16.1	Okanogan
Pacific	14.6	Pacific
Pend Oreille	15.6	Pend Oreille
Pierce	8.4	
San Juan	6.5	
Skagit	13.0	Skagit
Skamania	20.7	Skamania
Snohomish	8.2	
Spokane	8.1	
Stevens	14.3	Stevens
Thurston	8.4	
Wahkiakum	13.3	Wahkiakum
Walla Walla	9.4	
Whatcom	9.6	
Whitman	3.8	
Yakima	13.5	Yakima

1/ Data for 1985 and 1986 were revised in March 1987 incorporating updated information on exempt corporate officers and industry employment.

2/ Data for 1984 were revised to correct overcounts in claims data.

CONSUMER PRICE INDEX*

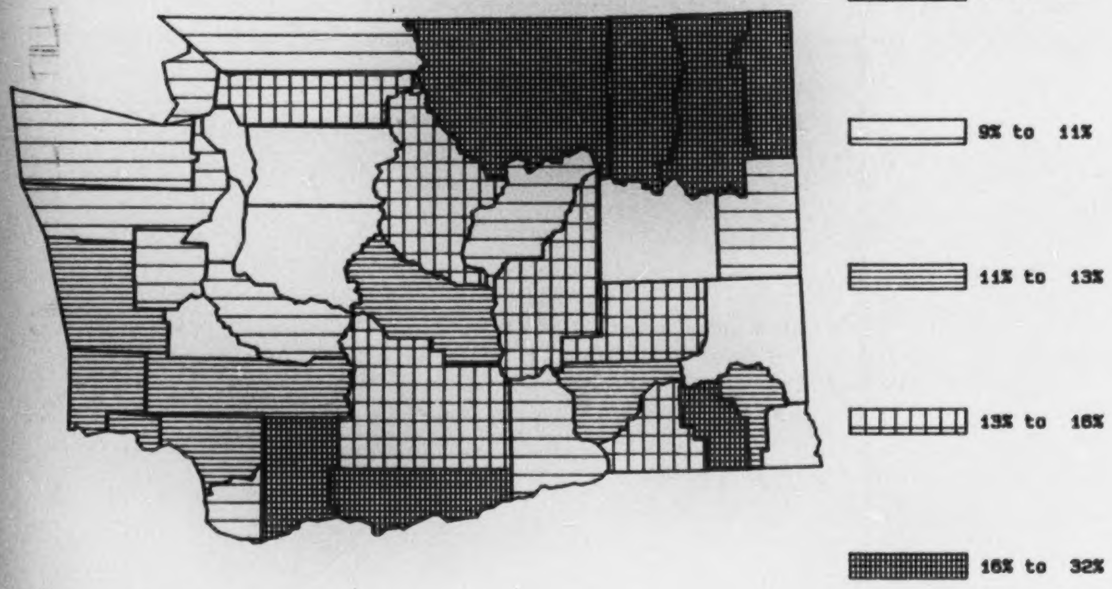
(All Items, Urban Consumers, 1967=100)

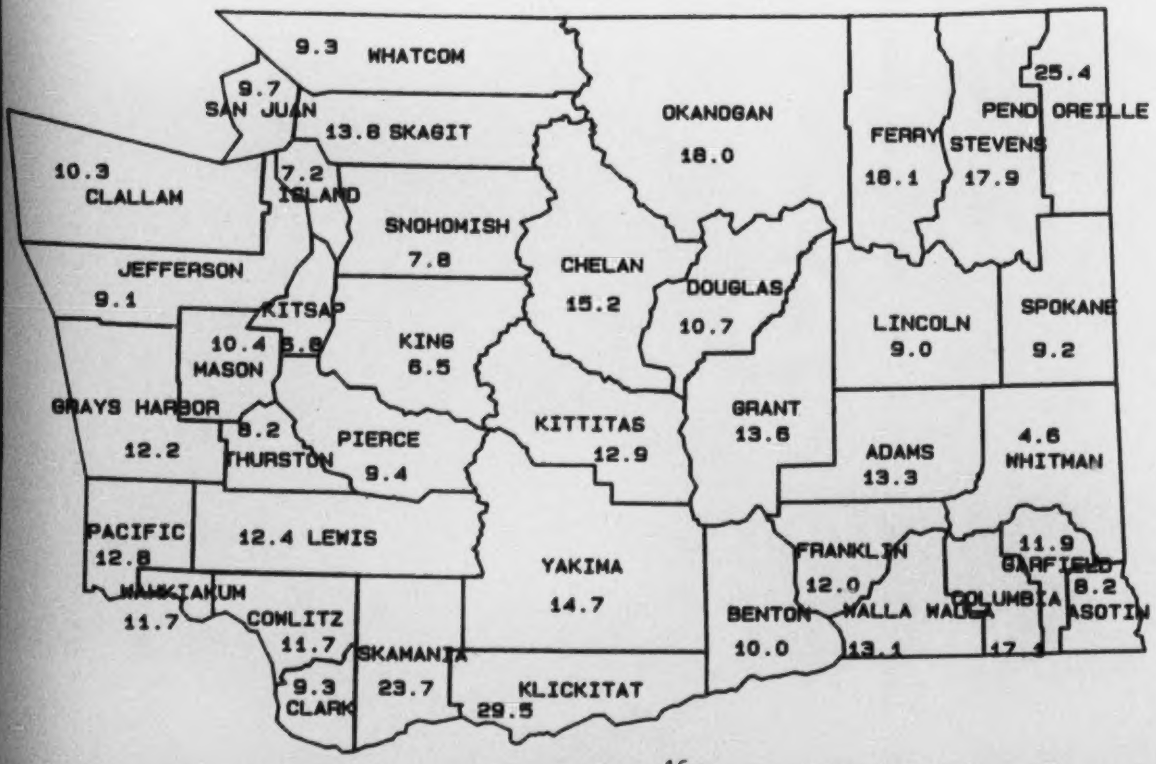
	INDEXES			PERCENT CHANGE Year Ending	
	Mar. 1987	Feb. 1987	Mar. 1986	Mar. 1987	Feb. 1987
U.S. City Average	335.9	334.4	326.0	3.0	2.1

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

MARCH UNEMPLOYMENT RATES

State of Washington 8.9


4% to 9%
9% to 11%
11% to 13%
13% to 16%
16% to 32%


9.3 WHATCOM
9.7
SAN JUAN
13.8 SKAGIT
OKANOGAN
18.0
FERRY
18.1
STEVENS
17.9
25.4
PEND OREILLE
10.3
CLALLAM
7.2
ISLAND
SNOHOMISH
7.8
CHELAN
15.2
DOUGLAS
10.7
LINCOLN
9.0
SPOKANE
9.2
JEFFERSON
9.1
KITSAP
6.8
10.4
MASON
KING
6.5
GRAYS HARBOR
12.2
8.2
THURSTON
PIERCE
9.4
KITTITAS
12.9
GRANT
13.6
ADAMS
13.3
4.6
WHITMAN
PACIFIC
12.8
12.4 LEWIS
YAKIMA
14.7
FRANKLIN
12.0
11.9
GARFIELD
8.2
ASOTIN
COLUMBIA
17.4
BENTON
10.0
WALLA WALLA
13.1
WAHKIAKUM
11.7
COWLITZ
11.7
SKAMANIA
23.7
9.3
CLARK
KLICKITAT
29.5

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

(In Thousands)

NOT SEASONALLY ADJUSTED

Industry	Mar. 1987 (Prel.)	Feb. 1987 (Rev.)	Mar. 1986 (Rev.)	Feb. 1986 (Rev.)	Numerical Change Feb. 87 to Mar. 87	Numerical Change Mar. 86 to Mar. 87
TOTAL NONAG. WAGE AND SALARY....	1790.1	1771.1	1736.7	1718.0	19.0	53.4
MANUFACTURING..................	302.8	300.0	300.3	298.5	2.8	2.5
Durable Goods................	212.7	211.8	211.3	210.0	0.9	1.4
Lumber & Wood Products.....	36.9	36.5	36.8	36.5	0.4	0.1
Furniture & Fixtures.......	4.0	3.9	3.8	3.8	0.1	0.2
Stone, Clay & Glass........	6.0	5.9	6.0	5.9	0.1	0.0
Primary Metals.............	10.9	11.0	12.1	12.1	-0.1	-1.2
Aluminum.................	7.1	7.1	8.1	8.0	0.0	-1.0
Fabricated Metals..........	9.7	9.6	9.7	9.6	0.1	0.0
Machinery..................	28.2	28.1	32.4	32.5	0.1	-4.2
Machinery (Exc. Elec.)...	16.1 4/	16.1 4/	19.9	20.2	0.0	-3.8
Electrical Equip.........	12.1	12.0	12.5	12.3	0.1	-0.4
Transportation Equip.......	102.5	102.2	95.3	94.5	0.3	7.2
Aerospace................	89.3	88.9	82.5	81.7	0.4	6.8
Other Transp. Equip......	13.2 4/	13.3 4/	12.8	12.8	-0.1	0.4
Instruments & Related......	9.8	9.9	10.6	10.6	-0.1	-0.8
Misc. Manufacturing........	4.7	4.7	4.6	4.5	0.0	0.1
Nondurable Goods............	90.1	88.2	89.0	88.5	1.9	1.1
Food & Kindred Products....	28.1	27.0 4/	28.8	28.5	1.1	-0.7
Canned & Preserved Foods.	8.9	8.1	9.8	9.6	0.8	-0.9
Apparel & Allied Products..	6.0	5.9	5.9	6.0	0.1	0.1
Paper & Allied Products....	17.1	16.9	16.4	16.4	0.2	0.7
Printing & Publishing......	19.0	18.8	18.4	18.3	0.2	0.6
Chemicals & Allied Products	11.8	11.6	11.5	11.4	0.2	0.3
Other Nondurable Goods 3/..	8.1	8.0	8.0	7.9	0.1	0.1
MINING & QUARRYING	2.9	2.8	2.8	2.6	0.1	0.1
CONSTRUCTION...................	83.9	80.6	78.9	75.1	3.3	5.0
TRANSP.,COMM. & UTIL...........	95.1 4/	94.9 4/	94.1	93.6	0.2	1.0
WHOLESALE & RETAIL TRADE.......	435.6	431.5	421.3	416.2	4.1	14.3
Wholesale Trade............	108.1	107.2	104.9	104.0	0.9	3.2
Retail Trade..............	327.5 4/	324.3 4/	316.4	312.2	3.2	11.1
FIN. INS. & REAL ESTATE........	106.9	106.4	103.3	102.6	0.5	3.6
SERVICES.......................	404.2	399.4	384.4	379.4	4.8	19.8
Health Services............	125.1	124.1	120.0	119.0	1.0	5.1
GOVERNMENT.....................	358.7	355.5	351.6	350.0	3.2	7.1
Federal....................	70.9	70.4	68.5	68.8	0.5	2.4
State & Local..............	287.8	285.1	283.1	281.2	2.7	4.7
Education................	155.3	154.3	154.4	153.6	1.0	0.9
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	1.5	1.8	0.0	0.0	-0.3	1.8

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 5/5/87
Benchmark: 1986

(Not Seasonally Adjusted)

	MARCH 1987 PRELIMINARY 1/				FEBRUARY 1987 REVISED 1/				MARCH 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,196,200	2,001,500	194,700	8.9	2,180,700	1,979,300	201,400	9.2	2,127,000	1,936,900	190,100	8.9
Bellingham MSA	56,100	50,900	5,200	9.3	55,300	49,700	5,600	10.1	54,100	48,800	5,300	9.8
Bremerton MSA	70,800	66,000	4,800	6.8	69,700	65,000	4,700	6.7	69,400	65,000	4,400	6.3
Olympia MSA	72,200	66,300	5,900	8.2	71,300	65,300	6,000	8.4	68,700	63,100	5,600	8.2
Seattle PMSA	980,200	913,700	66,500	6.8	977,900	911,300	66,600	6.8	934,500	870,900	63,600	6.8
King County 2/	780,000	729,100	50,900	6.5	778,100	727,200	50,900	6.5	742,700	695,000	47,700	6.4
Snohomish County 2/	200,100	184,500	15,600	7.8	199,700	184,000	15,700	7.9	191,800	175,900	15,900	8.3
Spokane MSA	162,800	147,900	14,900	9.2	162,900	147,200	15,700	9.6	161,200	146,500	14,700	9.1
Tacoma PMSA	234,500	212,400	22,100	9.4	232,100	210,500	21,600	9.3	227,700	208,700	19,000	8.3
Tri-Cities MSA	67,700	60,600	7,100	10.5	67,600	59,000	8,600	12.7	66,400	59,600	6,800	10.2
Benton County 2/	52,000	46,800	5,200	10.0	51,300	45,500	5,800	11.3	51,000	46,000	5,000	9.8
Franklin County 2/	15,800	13,900	1,900	12.0	16,300	13,500	2,800	17.2	15,400	13,600	1,800	11.7
Vancouver PMSA	104,200	94,500	9,700	9.3	103,200	93,300	9,900	9.6	102,900	93,500	9,400	9.1
Yakima MSA	83,500	71,200	12,300	14.7	81,400	67,800	13,600	16.7	83,200	68,900	14,300	17.2
Adams	6,170	5,350	820	13.3	6,300	5,170	1,130	17.9	5,990	5,230	760	12.7
Asotin	8,770	8,050	720	8.2	8,610	7,890	720	8.4	8,000	7,210	790	9.9
Clallam	21,720	19,480	2,240	10.3	21,530	19,010	2,520	11.7	20,930	18,620	2,310	11.0
Columbia	2,220	1,840	380	17.1	1,990	1,380	610	30.7	2,020	1,670	350	17.3
Cowlitz	34,160	30,150	4,010	11.7	33,540	29,660	3,880	11.6	32,880	28,300	4,580	13.9
Ferry	2,490	2,040	450	18.1	2,380	2,030	350	14.7	2,580	2,050	530	20.5
Garfield	1,010	890	120	11.9	1,030	880	150	14.6	1,020	880	140	13.7
Grant	23,730	20,500	3,230	13.6	23,230	19,540	3,690	15.9	23,210	20,430	2,780	12.0
Grays Harbor	25,810	22,660	3,150	12.2	26,000	22,540	3,460	13.3	25,800	22,050	3,750	14.5
Island	16,900	15,680	1,220	7.2	16,750	15,470	1,280	7.6	16,580	15,430	1,150	6.9
Jefferson	7,700	7,000	700	9.1	7,550	6,810	740	9.8	7,130	6,450	680	9.5
Kittitas	11,590	10,100	1,490	12.9	11,520	9,980	1,540	13.4	11,590	9,940	1,650	14.2
Klickitat	7,500	5,290	2,210	29.5	7,650	5,520	2,130	27.8	7,380	5,670	1,710	23.2
Lewis	23,880	20,910	2,970	12.4	24,040	20,880	3,160	13.1	22,860	19,720	3,140	13.7
Lincoln	4,330	3,940	390	9.0	4,320	3,870	450	10.4	4,030	3,690	340	8.4
Mason	12,210	10,940	1,270	10.4	12,110	10,720	1,390	11.5	12,220	10,970	1,250	10.2
Okanogan	14,500	11,890	2,610	18.0	14,040	11,590	2,450	17.5	14,360	11,550	2,810	19.6
Pacific	6,580	5,740	840	12.8	6,430	5,600	830	12.9	6,740	5,680	1,060	15.7
Pend Oreille	3,030	2,260	770	25.4	3,010	2,240	770	25.6	3,620	2,920	700	19.3
San Juan	4,140	3,740	400	9.7	4,030	3,510	520	12.9	4,140	3,750	390	9.4
Skagit	31,710	27,320	4,390	13.8	30,230	25,150	5,080	16.8	33,080	28,880	4,200	12.7
Skamania	2,280	1,740	540	23.7	2,470	1,690	780	31.6	2,240	1,690	560	25.0
Stevens	10,740	8,820	1,920	17.9	10,650	8,820	1,830	17.2	10,890	8,830	2,060	18.9
Wahkiakum	1,110	980	130	11.7	1,100	950	150	13.6	1,260	1,070	190	15.1
Walla Walla	22,950	19,940	3,010	13.1	22,990	19,670	3,320	14.4	22,900	19,920	2,980	13.0
Wenatchee Labor Area	38,390	33,090	5,300	13.8	37,430	32,230	5,200	13.9	37,140	31,650	5,490	14.8
Chelan County 2/	26,360	22,360	4,000	15.2	25,600	21,780	3,820	14.9	25,520	21,390	4,130	16.2
Douglas County 2/	12,020	10,730	1,290	10.7	11,830	10,450	1,380	11.7	11,620	10,260	1,360	11.7
Whitman	18,470	17,620	850	4.6	18,270	17,440	830	4.5	18,450	17,770	680	3.7

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

May 5, 1987
Benchmark: 1986

	MARCH 1987 PRELIMINARY 1/				FEBRUARY 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,181,800	1,979,500	202,300	9.3	2,161,200	1,957,000	204,200	9.4
Bellingham MSA	55,700	50,300	5,400	9.7	54,900	49,200	5,700	10.4
Bremerton MSA	70,200	65,200	5,000	7.1	69,100	64,300	4,800	6.9
Olympia MSA	71,700	65,600	6,100	8.5	70,700	64,600	6,100	8.6
Seattle PMSA	972,700	903,600	69,100	7.1	968,600	901,000	67,600	7.0
King County 2/	774,000	721,100	52,900	6.8	770,600	719,000	51,600	6.7
Snohomish County 2/	198,700	182,500	16,200	8.2	197,900	182,000	15,900	8.0
Spokane MSA	161,800	146,300	15,500	9.6	161,400	145,500	15,900	9.9
Tacoma MSA	233,000	210,100	22,900	9.8	230,100	208,200	21,900	9.5
Tri-Cities MSA	67,400	60,000	7,400	11.0	67,000	58,300	8,700	13.0
Benton County 2/	51,700	46,300	5,400	10.4	50,900	45,000	5,900	11.6
Franklin County 2/	15,700	13,700	2,000	12.7	16,200	13,300	2,900	17.9
Vancouver PMSA	103,600	93,500	10,100	9.7	102,400	92,300	10,100	9.9
Yakima MSA	83,200	70,400	12,800	15.4	80,800	67,000	13,800	17.1
Adams	6,140	5,290	850	13.8	6,250	5,110	1,140	18.2
Asotin	8,710	7,960	750	8.6	8,530	7,800	730	8.6
Clallam	21,590	19,260	2,330	10.8	21,360	18,800	2,560	12.0
Columbia	2,220	1,820	400	18.0	1,980	1,360	620	31.3
Cowlitz	33,990	29,820	4,170	12.3	33,250	29,320	3,930	11.8
Ferry	2,490	2,020	470	18.9	2,370	2,010	360	15.2
Garfield	1,010	880	130	12.9	1,020	870	150	14.7
Grant	23,630	20,270	3,360	14.2	23,060	19,320	3,740	16.2
Grays Harbor	25,680	22,410	3,270	12.7	25,790	22,280	3,510	13.6
Island	16,780	15,510	1,270	7.6	16,590	15,300	1,290	7.8
Jefferson	7,650	6,920	730	9.5	7,480	6,730	750	10.0
Kittitas	11,540	9,990	1,550	13.4	11,430	9,870	1,560	13.6
Klickitat	7,530	5,230	2,300	30.5	7,620	5,460	2,160	28.3
Lewis	23,770	20,680	3,090	13.0	23,860	20,650	3,210	13.5
Lincoln	4,310	3,900	410	9.5	4,280	3,830	450	10.5
Mason	12,130	10,820	1,310	10.8	12,010	10,600	1,410	11.7
Okanogan	14,470	11,760	2,710	18.7	13,950	11,460	2,490	17.8
Pacific	6,550	5,680	870	13.3	6,390	5,540	850	13.3
Pend Oreille	3,040	2,240	800	26.3	3,000	2,210	790	26.3
San Juan	4,110	3,700	410	10.0	4,010	3,480	530	13.2
Skagit	31,580	27,020	4,560	14.4	30,020	24,870	5,150	17.2
Skamania	2,280	1,720	560	24.6	2,470	1,680	790	32.0
Stevens	10,720	8,720	2,000	18.7	10,580	8,720	1,860	17.6
Wahkiakum	1,090	960	130	11.9	1,090	940	150	13.8
Walla Walla	22,850	19,730	3,120	13.7	22,810	19,450	3,360	14.7
Wenatchee Labor Area	38,230	32,730	5,500	14.4	37,140	31,870	5,270	14.2
Chelan County 2/	26,280	22,120	4,160	15.8	25,420	21,540	3,880	15.3
Douglas County 2/	11,950	10,610	1,340	11.2	11,730	10,330	1,400	11.9
Whitman	18,300	17,420	880	4.8	18,080	17,240	840	4.6

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Feb Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb-87	Jan-87	Feb-86	Feb-87	Jan-87	Feb-86	Feb-87	Jan-87	Feb-86
TOTAL MANUFACTURING INDUSTRIES*	176.600	$484.41	$481.19	$464.52	40.3	39.9	39.2	$12.02	$12.06	$11.85
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31.100	$435.59	$433.88	$438.70	40.9	40.1	39.1	$10.65	$10.82	$11.22
Primary Metal Industries	8.600	$545.18	$547.80	$541.68	43.2	43.1	41.7	$12.62	$12.71	$12.99
Fabricated Metal Products	7.100	$434.30	$439.27	$444.38	38.4	38.6	39.5	$11.31	$11.38	$11.25
**Machinery	16.400	$385.14	$378.49	$383.17	39.3	38.7	38.9	$9.80	$9.78	$9.85
**Food and Kindred Products	18.900	$371.51	$366.10	$345.60	37.3	36.5	36.0	$9.96	$10.03	$9.60
Chemical and Allied Products	5.500	$625.83	$576.69	$576.16	43.4	40.9	41.6	$14.42	$14.10	$13.85
**Transportation Equipment	42.200	$620.31	$618.23	$565.40	42.4	42.2	41.3	$14.63	$14.65	$13.69
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	56.900	$584.87	$577.45	$573.16	36.6	35.8	35.6	$15.98	$16.13	$16.10
**Wholesale and Retail Trade (does not include eating and drinking establishments)	264.100	$324.99	$316.35	$321.73	34.5	33.3	34.3	$9.42	$9.50	$9.38

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Mar Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Mar-87	Feb-87	Mar-86	Mar-87	Feb-87	Mar-86	Mar-87	Feb-87	Mar-86
TOTAL MANUFACTURING INDUSTRIES*	179,600	$484.41	$484.41	$475.20	40.2	40.3	40.0	$12.05	$12.02	$11.88
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	31.700	$427.07	$431.01	$453.72	40.1	40.7	39.8	$10.65	$10.59	$11.40
Primary Metal Industries	8,600	$550.23	$543.06	$553.66	43.6	43.1	42.2	$12.62	$12.60	$13.12
Fabricated Metal Products	7.300	$441.57	$433.15	$456.86	38.7	38.4	39.9	$11.41	$11.28	$11.45
**Machinery	16.500	$385.73	$385.14	$392.12	39.2	39.1	40.3	$9.84	$9.85	$9.73
**Food and Kindred Products	19.500	$356.64	$372.00	$349.31	35.7	37.2	36.5	$9.99	$10.00	$9.57
Chemical and Allied Products	5,400	$615.04	$643.87	$579.36	42.8	43.3	42.6	$14.37	$14.87	$13.60
**Transportation Equipment	42,700	$621.11	$615.70	$574.24	42.6	42.2	42.1	$14.58	$14.59	$13.64
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	57,800	$604.05	$584.37	$591.67	36.9	36.5	36.5	$16.37	$16.01	$16.21
**Wholesale and Retail Trade (does not include eating and drinking establishments)	265,200	$322.59	$325.24	$322.66	34.1	34.6	34.0	$9.46	$9.40	$9.49

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor management disputes.

6/22/87 58340-3

Washington
LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

May 1987

Highlights

Persons of Disability--Page 12

Seasonal Jobs Lower Unemployment

Expansions in several industries boosted total employment in Washington State 21,700 between March and April and reduced the number of jobless workers by 16,000. The unemployment rate fell from 8.9 to 8.1 percent over the month. Although the improvement in employment was largely seasonal, the drop in unemployment was greater than expected. After adjusting for seasonal variation, the jobless rate dipped from 8.3 in March to 8.0 in April. While down from March, however, the adjusted rate was unchanged from January and slightly above the 7.8 percent recorded in December 1986.

Strong Growth Over the Year

The year-to-year comparison of labor force data, which largely eliminates monthly seasonal changes, continues to reflect a strong state economy. Between April 1986 and 1987, total

Volume 11, Number 5

	Apr. 1987* (Prel.)	Mar. 1987* (Rev.)	Apr. 1986
Civilian Labor Force	2,203,100	2,197,400	2,148,500
Total Employment	2,023,900	2,002,200	1,967,600
Total Unemployment	179,200	195,200	180,900
State Unemployment Rate	8.1	8.9	8.4
National Civilian Unemployment Rate	6.2	6.9	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

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employment advanced 2.9 percent, or 56,300, which was slightly higher than the 2.6 percent gain nationally. As was the case in the nation, however, the expansion was largely limited to the nonmanufacturing industries. The state jobless rate dipped from 8.4 to 8.1 percent (unadjusted) between April 1986 and 1987.

Nonfarm Jobs Up 19,600

Nonagricultural wage and salary employment jumped 19,600 in the state between March and April. Manufacturing accounted for 3,200 of the new jobs with one-half of these in the food industry where canneries and freezing plants were busy processing this year's asparagus crop. The lumber industry was also on the move, with strong markets for finished lumber products and improving weather favoring logging activity. Employment in the industry gained 600 in April, unchanged from its year-ago level. Aerospace added 400 jobs in the latest 30-day period. While growth continues in the state's largest manufacturing industry, the expansion is well below its pace of last year. In the first four months of 1986, aerospace employment rose 3,300. The gain for the first four months of this year was 1,500.

Elsewhere in manufacturing, employment in stone, clay and glass products rose 200 in April, with more demand from contractors for concrete, sand and gravel. Pulp and paper continued to enjoy strength in national and international markets and added 200 workers during the month. By contrast, weakness continued in shipbuilding which resulted in a 200 drop in "other transportation equipment."

Retail Trade Adds 6,200 Workers

Retail trade payrolls rose 6,200 to account for over thirty percent of the new jobs in April. More tourist business prompted gains at restaurants and gasoline stations, while jobs at food stores also increased as did employment at hardware, building and garden supply stores. In addition, apparel and department stores hired additional staff to serve customers shopping for summer clothing and Easter.

Amusement Can Be Work Too

The services industries also continued their seasonal expansion in April with a gain of 3,600. The largest increases in services were noted in amusements, agricultural services, and business services. In amusements, employment at ski resorts fell, but this was more than offset by gains at auto and horse race tracks, baseball clubs, amusement parks, and golf courses. Carnivals also began touring shopping centers to provide additional jobs. Besides a seasonal pickup in crop preparation and veterinary services, agricultural service employment was boosted in April as firms providing lawn and garden services to householders added staff. A wide range of businesses providing services to other businesses expanded in April from janitorial to computer and data processing firms.

Construction Jobs Going Up

In other nonmanufacturing industries, construction payrolls rose 3,000 in April. Although most of the increase was related to improving weather conditions, the effect of relatively low interest rates on homebuilding as well as commercial projects was also a factor. On a seasonally adjusted basis, employment in the building trades was up 500 in April. Although construction employment after seasonal adjustment remained below January and February levels, data for those months were undoubtedly boosted by unseasonably mild weather.

Government added 1,300 civilian workers over the month as seasonal gains at parks, forests, and in other outdoor employment offset a reduction at state colleges where employment fell because of spring vacations. Growth at trucking and warehousing firms because of a general seasonal pickup in business activity added 700 jobs in the transportation group. And a spring expansion in home sales moved the job total up 500 in finance, insurance and real estate.

Eastern Washington Leads Spring Expansion

Eastern Washington led the expansion between March and April because of seasonal growth in agriculture, food processing and related industries, although its jobless rate remained much higher than it was west of the Cascades. Most of the over-the-year employment growth, however, occurred in Western Washington with the Seattle Metropolitan Area garnering most of the new jobs.

Between March and April, 12,800 of the state's 21,700 new jobs occurred in Eastern Washington and 8,900 in Western Washington. The relative increase on the east side was much greater (three percent) than on the west side (0.6 percent) because over three-fourths of the state's employment lies west of the Cascades.

Reflecting greater job growth on the east side, the unemployment rate in Eastern Washington dropped from 12.0 percent in March to 10.2 percent in April, while the rate west of the Cascades fell from 8.0 to 7.5 percent. Typical of areas expanding seasonally in Eastern Washington during April were the Yakima, Walla Walla and Wenatchee areas. In Yakima County the unemployment rate fell from 15.0 to 13.0 percent over the month; Walla Walla saw its rate plunge from 13.2 to 8.4 percent; while the rate in the Wenatchee area (Chelan and Douglas counties) dropped from 13.9 to 11.8 percent.

In Western Washington, the largest reduction in unemployment rates between March and April were in nonmetropolitan counties, which are more dependent on seasonal industries such as lumber than are the metropolitan areas with their more diversified economies. Typical of these areas were Clallam, Jefferson and Pacific counties. In Clallam County the rate fell from 10.4 to 9.5 percent; Jefferson County's rate dropped from 9.2 to 7.6 percent; while the rate in Pacific County fell more than two points--from 12.7 to 10.6 percent. By contrast, the unemployment rate slipped from 6.8 to 6.4 percent in the Seattle Metropolitan Area which enjoys one of the lowest rates in the state.

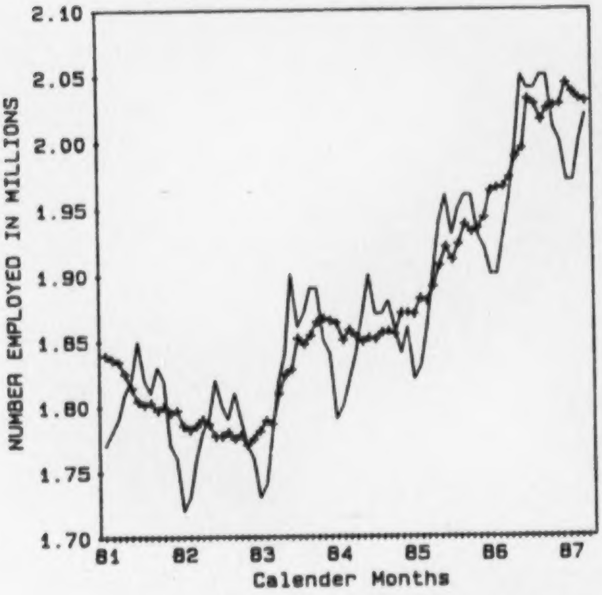
Year-to-Year Job Growth Concentrated in Seattle

While Eastern Washington benefited from the seasonal upturn in April, the year-to-year comparison indicates it lags well behind Western Washington in employment growth. Of the 56,300 statewide increase in total employment over the year, 50,400 of the new jobs were in Western Washington and only 5,900 were east of the Cascades. Employment rose 3.3 percent on the west side, but only 1.3 percent on the east side of the state. And even west of the Cascades, the increase was far from uniform. Expanding employment in the

Seattle Metropolitan Area accounted for 73 percent of this state's new jobs over the year and 82 percent of the employment growth in Western Washington. Compared with the statewide employment increase of 2.9 percent over the year and the 3.3 percent gain in Western Washington, employment in the Seattle area rose 4.7 percent. By contrast, employment rose only 1.1 percent year-to-year in the Tacoma area where machinery payrolls dropped precipitously and only 0.5 percent in the Vancouver area where an aluminum smelter closed last year. Employment gains in Western Washington counties largely dependent on the lumber industry were also low over the year. Typical of these counties were Grays Harbor, Lewis and Pacific: employment in Grays Harbor County rose 1.8 percent; Lewis County gained 2.1 percent, while employment in Pacific County was up only three-tenths of one percent year to year.

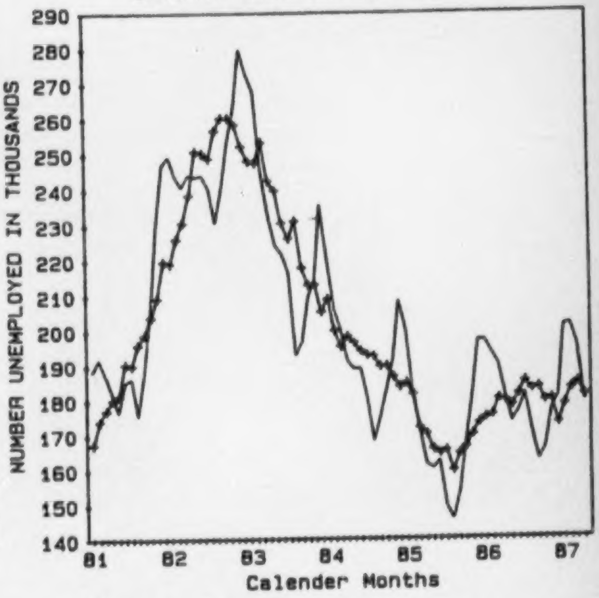
STATE TOTAL EMPLOYMENT

JANUARY 1981 Through APRIL 1987



STATE TOTAL UNEMPLOYMENT

JANUARY 1981 Through APRIL 1987



+ SEASONALLY ADJUSTED – NOT SEASONALLY ADJUSTED

MANUFACTURING INDUSTRIES

$2.1 Billion Order From United Airlines

Although aerospace employment in the first four months of this year increased only about half as much as it did in the comparable period last year, orders for Boeing jetliners picked up in May. Boeing sold United Airlines 36 jetliners for $2.1 billion in an unusual arrangement which could give Boeing partial ownership of United's parent company, Allegis Corp. Under the agreement, Boeing lent Allegis $700 million for notes which can be converted into Allegis stock. The sale included fifteen long-range Boeing 747-400 jumbo jets to be delivered by 1995 and twenty-one 737-300s to be delivered by 1991.

New Jetliner And Another $2.1 Billion

Boeing also announced in May that it would build a smaller model of its 737 twin jet to be designated the 737-500. Orders and options for 73 of the new airplanes valued at $2.1 billion have already been booked with four airlines. The new 737-500 is designed for short-to-medium range routes and will seat 108 to 130 passengers. Existing 737s seat 128 to 170 passengers. A Boeing spokesman said ten other airlines are holding "serious discussions with us concerning the new model." Delivery dates for the 737-500s already ordered begin in 1990.

$650 Million For Five 747s

Boeing also sold five 747 jetliners to Lufthansa of West Germany in May for $650 million. The jumbo jets ordered include four passenger planes and one freighter. The freighter will be delivered in July 1988 and delivery of the passenger planes will begin in February 1989.

Largest Order Coming Up?

Two stockmarket analysts have reported that Boeing may be negotiating a record breaking $4.5 billion order for its 757 jetliners. The order may involve one-hundred 757 twin jets. Suppliers reported a scheduled doubling in production of the jetliner this year, but Boeing would not comment on the potential order.

Lumber Production Strong

Lumber production in the Pacific Northwest was strong in 1986 and so far in 1987 has run ahead of year-earlier levels. Year-to-date lumber production in Western Oregon and Washington was up 16 percent in the week ending May 16, 1987, according to the Western Wood Products Association. Lumber industry officials are worried over the availability of logs, however, citing the U.S. Forest Service's ten-year management plan which could reduce the amount of federal forest land that can be harvested.

Resurgence in the Pacific Northwest lumber industry in 1986 resulted from several factors, according to the Washington Forest Products Association. Some, such as the modernizing of sawmills, will continue to bolster the area's competitive position in the years ahead. Other factors cited include:

- A five-month strike of Canadian woods workers in 1986 which reduced competition for U.S. mills.
- The 15 percent Canadian tax on its own softwood lumber exported to the U.S.
- Falling interest rates in 1985 and 1986 which expanded housing starts.
- More aggressive marketing practices, including the shipment of lumber by barge, which is less expensive than by truck or rail, and the establishment of large wholesale yards near Southwestern construction sites.

Pulp and Paper Workers Accept Offer

Nearly 2,000 pulp and paper workers at Weyerhaeuser mills in Oregon and Washington narrowly accepted the company's final offer in early June. Weyerhaeuser's offer freezes hourly pay, which averages about $15, for three years but pays an annual bonus of up to four percent based on productivity, safety and product quality. The pulp and paper worker's union had recommended that its members reject the offer. While the union negotiators accepted the bonus plan, they disagreed on how it should be calculated. Weyerhaeuser's Washington State pulp and paper mills are located in Everett, Longview, and Cosmopolis. Other pulp and paper firms with contract negotiations underway in the state include Scott Paper Company at Everett, Boise Cascade at Steilacoom, Longview Fiber at Longview, and ITT Rainier at Port Angeles.

Aluminum Outlook Improves

Thanks to the decline in the value of the dollar, which improves the competitiveness of U.S. products on international markets, and a 40 percent increase in aluminum prices so far this year, the outlook for aluminum smelters in the Pacific Northwest has brightened. The higher prices reflect increased demand. One analyst expects world aluminum demand in 1987 to exceed supply by 300,000 tons, or about three percent. On the other hand, another analyst expects increased production overseas and in the U.S. to add significantly to supply later this year.

Some industry sources believe that Northwest aluminum plants should be able to operate at a high level even when aluminum prices again turn down because of modernization and other cost reductions. According to one industry analyst, all of the region's smelters except Intalco at Ferndale and the Alcoa Plant at Wenatchee were among the most expensive 25 percent to operate four years ago. Today, only two are in that category. European and Ohio River Valley plants are now thought to be at a greater risk of shutting down when aluminum prices again fall than are most plants in the Pacific Northwest.

Negotiations Continue to Reopen Goldendale Smelter

Efforts to raise $41 million by Columbia Aluminum Inc. to purchase the closed Commonwealth Goldendale aluminum smelter are still underway, but efforts to obtain a $3 million federal grant have so far proved unsuccessful. Federal officials would not approve the grant because of concern over a $5.6 million loan made to Commonwealth by the Economic Development Administration (EDA) when it purchased the plant in 1984. Commonwealth wants Columbia to assume that loan, but EDA is unwilling to take secondary creditor status behind other lenders in the financial package being assembled by Columbia Aluminum. Columbia officials remain optimistic, however.

The Washington State Department of Community Development announced it had agreed in principle to loan Columbia $700,000, but the loan is contingent on other financing being worked out to purchase the plant. The Goldendale Aluminum plant employed 500 workers when it was closed in February.

Shipbuilding Outlook Grim

While aerospace continues to show strength as new orders roll in, production grows in the forest industries and the outlook improves for Pacific Northwest aluminum plants, prospects in the state's shipbuilding industry remain grim. Lockheed Shipbuilding Company and Todd Shipyards are the state's two largest private shipyards. Lockheed has raised the possibility of closing and Todd is considering the sale of the company or other types of restructuring because of financial problems.

Lockheed, which has been involved in a labor-management dispute for several months, withdrew its bid on a major Navy destroyer contract in May. A spokesman for Lockheed said that they believed the risks of performing the work were too great without a collective bargaining agreement. The decision to withdraw its bid was irrevocable. The contract would have provided ten years of work and employed over 1,500 skilled workers at its peak. The shipyard now has only enough work to keep going until the end of the year, according to a union official.

After losing a $162.1 million Navy contract to build guided missile destroyers, Todd Shipyards announced that it was in technical default on its revolving credit agreement, and that it is negotiating with its lenders. The company expects to report a loss of more than $40 million in the last fiscal year. The losses resulted from unprofitable work on a commercial ship conversion and a major overhaul contract for the Coast Guard.

Governor Backs N-Reactor

In early May, Governor Booth Gardner said he will attempt to block the permanent closure of the Hanford N-Reactor. Permanent closure could result in the loss of 26,000 jobs statewide, and the loss of $1.57 billion in wages and up to $120 million in state taxes over the next two years, according to estimates by the state. The reactor was shut down in January for safety modifications, but the U.S. Senate Appropriations Committee voted to prohibit the Energy Department from restarting the plutonium-producing reactor, and the Senate Armed Services Committee recommended the reactor be activated only in case of a national security crisis. The N-Reactor produces plutonium for nuclear weapons.

Meanwhile, the plutonium-uranium extraction plant at the Hanford reservation began restart procedures in late May after being on standby status since the beginning of that month to implement operating improvements. The plant extracts plutonium and uranium from fuel rods from the N-Reactor. Although the N-Reactor has been shut down since January for safety modifications, there is a backlog of fuel rods.

NONMANUFACTURING INDUSTRIES

Construction Payrolls Strong but Housing Starts Fall

Construction employment remains strong in the state and was up more than five percent over the year, but rising interest rates threaten to slow or halt the expansion. Housing starts nationally dropped 2.9 percent in April following a 4.8 percent loss in March. All of the drop in April, however, was in multi-family units. Single-family starts increased by two percent in April. This is good news for the lumber industry since building a single-family home takes considerably more lumber than does a multi-family unit. Nonetheless, if mortgage rates remain at their current level, single-family home construction will be affected too. The drop in apartment house construction in recent months was thought to result from tax reform legislation as well as higher interest rates. The new tax legislation abolished many of the tax shelters once available to builders of multi-family units.

The F.W. Dodge statistical reporting service lowered its 1987 housing start forecast by ten percent because of the upturn in mortgage rates. The U.S. Commerce Department Secretary noted that mortgage rates rose from around nine percent in April to 10.5 percent in May and said housing starts are likely to decline further if mortgage rates don't fall.

Consumer Spending Weak

Consumer spending for goods and services rose a relatively brisk 0.6 percent nationally in April, but much of the gain resulted from higher prices. The Consumer Price Index rose 0.4 percent in April. Forecasts of slower growth in consumer spending for this year appear to be coming true. After tax income adjusted for inflation is lower now than one year ago.

Immigration Law Adds Jobs in Bellingham

Allpoints Inc., a Bellingham firm, received a $5 million subcontract to fill out applications over the telephone for illegal aliens seeking amnesty under the new immigration law. The firm expects to add 30 employees to handle the new business. Allpoints may handle 1,500 applications daily in a few weeks. Applications will be phoned in from 45 processing centers throughout the western United States. The centers are being set up by a Nevada firm which has a contract with the U.S. Immigration and Naturalization Service (INS). The INS regulates the amount that can be charged by the processing centers. The fee is expected to be about $100 for each person. Allpoints' contract is for one year, but the INS is considering a three-year extension because of the large number of illegal aliens expected to apply.

BPA To Cut Back

Declining revenue from electricity sales because of competition from low oil and gas prices is forcing the Bonneville Power Administration (BPA) to cut its Pacific Northwest workforce by 250 and reduce spending by $25 million a year. BPA lost $23 million in the first six months of the current fiscal year. The loss will go higher this summer when electricity sales decline seasonally. A BPA spokesman said 325 staff members would be offered early retirement July 1. If that does not result in enough staff reductions, other employees will be laid off by October 1.

Supercollider Contest

The U.S. Senate decided in May that choosing a site for the proposed $4.4 billion supercollider should be based solely on the merits of the location and not on inducements offered by individual states. The decision improves Washington State's chances of landing the project because it eliminates the possibility of wealthier states "buying" the project. The atom collider will be used to study basic building blocks of matter. The colliders, ten-foot wide tubes, will be buried 30 feet deep in a 52 mile oval loop. If Washington State is successful in its bid, the project could result in 3,000 jobs and attract other high technology industries to the state.

The proposed site in Washington State is 35 miles west of Spokane. The state's selling points include good geology, limited environmental impact and low cost power. More than half of all states are preparing proposals, which must be submitted by August 3.

NATIONAL CONTEXT

Unemployment at Seven-Year Low

Labor market conditions remain strong nationally and in the state with unemployment in April at a seven-year low in both cases. Nevertheless, there is considerable concern that the nation's lingering trade deficit and consequent decline in the dollar, rising inflation and interest rates will precipitate slower economic growth, if not a recession. Protectionist legislation is another concern because it could result in retaliatory measures by our trading partners. Foreign trade restrictions would have a substantial adverse impact on the Washington State economy since this state enjoys a large surplus in its foreign trade balance, amounting to $4.1 billion in 1982.

Interest Rates Climbing

While the trade deficit has shown signs of declining in recent months, especially in terms of volume, it remains large and interest rates have shown no sign of leveling off. The prime lending rate, now at 8-1/4 percent, was increased in mid-May for the third time since March when it was 7.5 percent. Rates on conventional 30-year mortgages, which were slightly over nine percent at the end of March, rose to 10.5 percent in mid-May. Some economists and bankers expect the prime rate to increase at least one percentage point this summer and mortgage rates to jump to 11 percent.

Business Council Sees Slow Growth Continuing

A group of 20 economists associated with the Business Council, forecasts relatively slow growth for 1987 and 1988. They expect the GNP to increase 2.5 percent after adjustment for inflation in 1987 and 3.0 percent in 1988. None of the economists expects a recession. The consensus forecast anticipates a 4.3 percent rise in the Consumer Price Index in 1987 and 4.5 percent in 1988. They believe the trade deficit will decline because of the drop in the value of the dollar, which makes U.S. goods more competitive in international markets. Some said that they were already seeing foreign sales expand for their own companies.

The Business Council consists of the chief executives of 65 major U.S. companies. Many were pleased with the forecast delivered at their spring meeting. One cited the problems associated with a faster growth rate, such as inflation.

Leading Indicators Down in April

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, fell 0.6 percent in April following a 0.8 percent gain in March. The drop in April largely resulted from a reduction in average weekly working hours, which was probably lower because the April estimate was made for the week which included both Passover and Good Friday. Therefore, the April reduction in the index may be misleading. Excluding the workweek measure from the calculation, the index would have declined only 0.1 percent.

Besides the average workweek, other leading indicators falling in April were orders for consumer goods, building permits, and stock market prices. Leading indicators on the positive side for the month included claims for unemployment compensation (declined); businesses reporting slower deliveries, which suggests larger order backlogs; sensitive material prices; and the money supply. Changes in business inventories and credit outstanding were not available in making the preliminary April estimates for the index.

PERSONS OF DISABILITY IN WASHINGTON STATE

Just published by Labor Market and Economic Analysis, Persons of Disability In Washington State presents statistical data on persons of disability in Washington State compiled and analyzed on the basis of the 1970 and 1980 U.S. Census; data are provided by sex, age, race, Spanish origin, labor force status, occupation, educational attainment, personal income, and poverty status. The report provides valuable data on the state's disability population for researchers, disability organizations, rehabilitation and other social service providers. Available at the cost of printing and handling for $5.39 (includes sales tax). To place an order, send check or money order to LMEA, Mail Stop KG-11, Olympia, Washington 98504-5311.

CONSUMER PRICE INDEX*

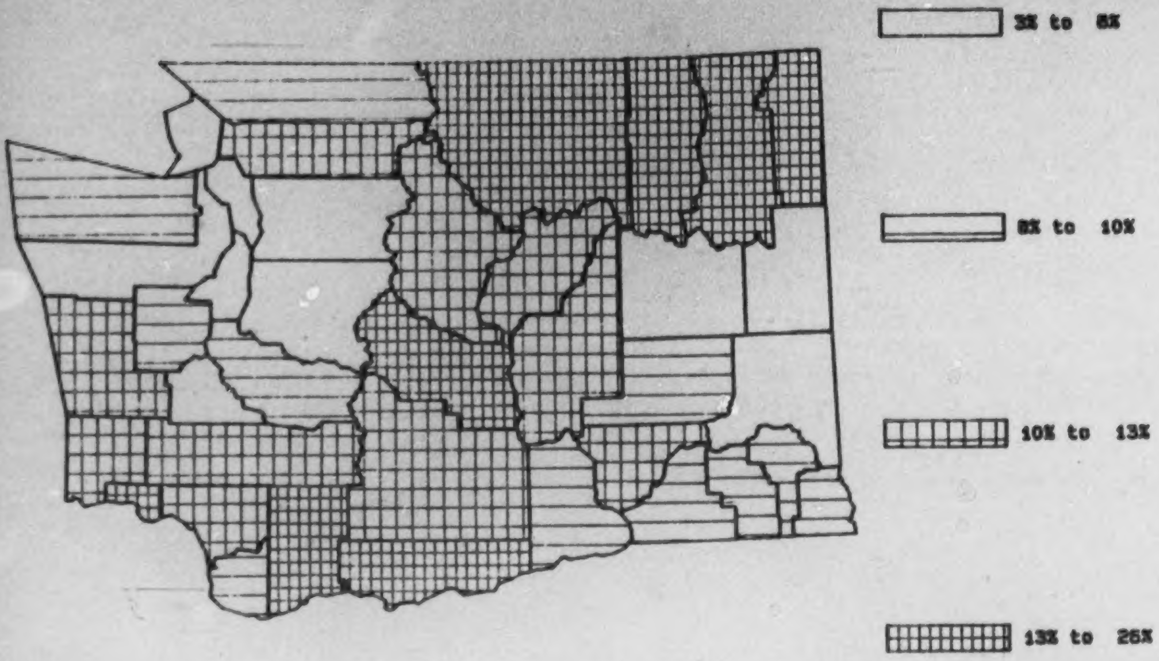
(All Items, Urban Consumers, 1967=100)

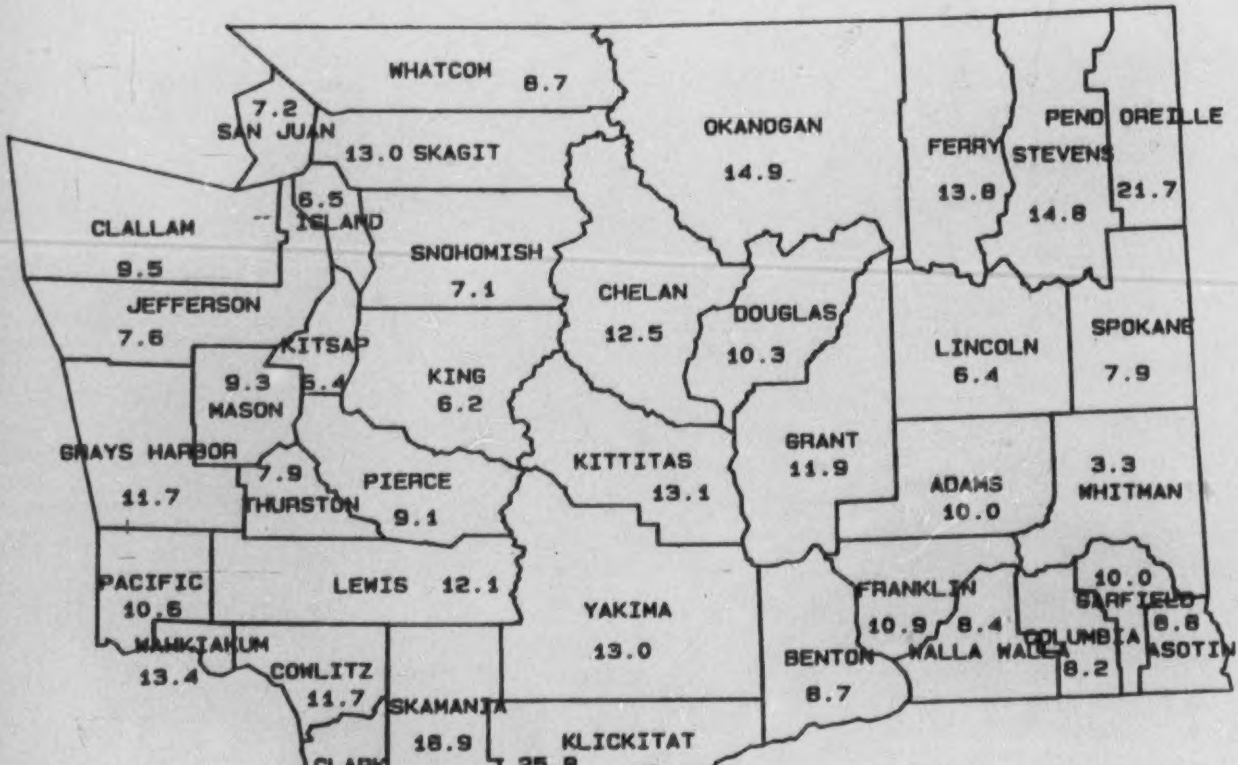
	INDEXES			PERCENT CHANGE Year Ending	
	Apr. 1987	Mar. 1987	Apr. 1986	Apr. 1987	Mar. 1987
U.S. City Average	337.7	335.9	325.3	+3.8	+3.0

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

APRIL UNEMPLOYMENT RATES

State of Washington 8.1


3% to 8%
8% to 10%
10% to 13%
13% to 26%


WHATCOM 8.7
7.2 SAN JUAN
13.0 SKAGIT
OKANOGAN 14.9
PEND OREILLE
FERRY 13.8
STEVENS 14.8
21.7
CLALLAM 9.5
6.5 ISLAND
SNOHOMISH 7.1
JEFFERSON 7.6
CHELAN 12.5
DOUGLAS 10.3
LINCOLN 6.4
SPOKANE 7.9
KITSAP 6.4
9.3 MASON
KING 6.2
GRAYS HARBOR 11.7
7.9 THURSTON
PIERCE 9.1
KITTITAS 13.1
GRANT 11.9
ADAMS 10.0
3.3 WHITMAN
PACIFIC 10.6
LEWIS 12.1
YAKIMA 13.0
FRANKLIN 10.9
8.4 WALLA WALLA
10.0 GARFIELD
COLUMBIA 8.2
8.8 ASOTIN
WAHKIAKUM 13.4
COWLITZ 11.7
BENTON 8.7
SKAMANIA 18.9
KLICKITAT 25.8
CLARK 8.8

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

NOT SEASONALLY ADJUSTED Industry	(In Thousands) Apr. 1987 (Prel.)	Mar. 1987 (Rev.)	Apr. 1986 (Rev.)	Mar. 1986 (Rev.)	Numerical Change Mar. 87 to Apr. 87	Apr. 86 to Apr. 87
TOTAL NONAG. WAGE AND SALARY....	1810.0	1790.4	1757.1	1736.7	19.6	52.9
MANUFACTURING..................	305.7	302.5	303.5	300.3	3.2	2.2
Durable Goods................	214.3	212.9	213.2	211.3	1.4	1.1
Lumber & Wood Products.....	37.5	36.9	37.5	36.8	0.6	0.0
Furniture & Fixtures.......	4.0	3.9	3.8	3.8	0.1	0.2
Stone, Clay & Glass........	6.2	6.0	6.2	6.0	0.2	0.0
Primary Metals.............	11.1	11.0	12.3	12.1	0.1	-1.2
Aluminum.................	7.2	7.1	8.1	8.1	0.1	-0.9
Fabricated Metals..........	9.8	9.8	9.8	9.7	0.0	0.0
Machinery..................	28.4	28.3	32.1	32.4	0.1	-3.7
Machinery (Exc. Elec.)...	16.3	16.2 4/	19.5	19.9	0.1	-3.2
Electrical Equip.........	12.1	12.1	12.6	12.5	0.0	-0.5
Transportation Equip.......	102.7	102.5	96.4	95.3	0.2	6.3
Aerospace................	89.7	89.3	83.3	82.5	0.4	6.4
Other Transp. Equip......	13.0 4/	13.2 4/	13.1	12.8	-0.2	-0.1
Instruments & Related......	9.8	9.8	10.5	10.6	0.0	-0.7
Misc. Manufacturing........	4.8	4.7	4.6	4.6	0.1	0.2
Nondurable Goods.............	91.4	89.6	90.3	89.0	1.8	1.1
Food & Kindred Products....	29.3	27.7	30.0	28.8	1.6	-0.7
Canned & Preserved Foods.	10.5	8.8	11.0	9.8	1.7	-0.5
Apparel & Allied Products..	5.9	6.0	5.6	5.9	-0.1	0.3
Paper & Allied Products....	17.3	17.1	16.6	16.4	0.2	0.7
Printing & Publishing......	18.9	19.0	18.5	18.4	-0.1	0.4
Chemicals & Allied Products	11.8	11.7	11.5	11.5	0.1	0.3
Other Nondurable Goods 3/..	8.2	8.1	8.1	8.0	0.1	0.1
MINING & QUARRYING	2.9	2.9	3.0	2.8	0.0	-0.1
CONSTRUCTION...................	86.2	83.2	81.8	78.9	3.0	4.4
TRANSP.,COMM. & UTIL...........	96.1 4/	95.4 4/	94.6	94.1	0.7	1.5
WHOLESALE & RETAIL TRADE.......	443.5	436.2	427.0	421.3	7.3	16.5
Wholesale Trade............	109.1	108.0	105.9	104.9	1.1	3.2
Retail Trade...............	334.4	328.2 4/	321.1	316.4	6.2	13.3
FIN. INS. & REAL ESTATE........	107.4	106.9	104.2	103.3	0.5	3.2
SERVICES.......................	408.7	405.1	391.1	384.4	3.6	17.6
Health Services............	125.9	125.3	120.9	120.0	0.6	5.0
GOVERNMENT.....................	359.5	358.2	351.9	351.6	1.3	7.6
Federal....................	71.8	71.3	69.0	68.5	0.5	2.8
State & Local..............	287.6	286.9	282.9	283.1	0.7	4.7
Education................	154.7	155.2	153.5	154.4	-0.5	1.2
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	1.1	1.5	0.0	0.0	0.0	0.0

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT
IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 6/2/87
Benchmark: 1986

	APRIL 1987 PRELIMINARY 1/				MARCH 1987 REVISED 1/				APRIL 1986 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,203,100	2,023,900	179,200	8.1	2,197,400	2,002,200	195,200	8.9	2,148,500	1,967,600	180,900	8.4
Bellingham MSA	56,400	51,500	4,900	8.7	56,100	50,900	5,200	9.3	55,300	50,100	5,200	9.4
Bremerton MSA	70,400	65,900	4,500	6.4	70,800	66,000	4,800	6.8	69,600	65,200	4,400	6.3
Olympia MSA	72,300	66,600	5,700	7.9	72,300	66,400	5,900	8.2	68,300	62,700	5,600	8.2
Seattle PMSA	981,500	918,900	62,600	6.4	980,100	913,500	66,600	6.8	940,100	877,800	62,300	6.6
King County 2/	781,700	733,300	48,400	6.2	780,100	729,000	51,100	6.6	747,700	700,500	47,200	6.3
Snohomish County 2/	199,800	185,600	14,200	7.1	200,000	184,500	15,500	7.8	192,400	177,300	15,100	7.8
Spokane MSA	163,200	150,300	12,900	7.9	162,900	148,100	14,800	9.1	162,100	148,600	13,500	8.3
Tacoma PMSA	234,300	212,900	21,400	9.1	234,600	212,600	22,000	9.4	229,300	210,500	18,800	8.2
Tri-Cities MSA	70,800	64,300	6,500	9.2	67,800	60,600	7,200	10.6	68,900	62,500	6,400	9.3
Benton County 2/	54,300	49,600	4,700	8.7	52,000	46,800	5,200	10.0	53,000	48,200	4,800	9.1
Franklin County 2/	16,500	14,700	1,800	10.9	15,900	13,900	2,000	12.6	15,900	14,300	1,600	10.1
Vancouver PMSA	104,600	95,400	9,200	8.8	104,700	94,900	9,800	9.4	103,800	94,900	8,900	8.6
Yakima MSA	86,000	74,800	11,200	13.0	83,600	71,100	12,500	15.0	86,500	73,800	12,700	14.7
Adams	6,170	5,550	620	10.0	6,190	5,350	840	13.6	6,100	5,550	550	9.0
Asotin	8,640	7,880	760	8.8	8,870	8,140	730	8.2	7,850	7,150	700	8.9
Clallam	22,080	19,980	2,100	9.5	21,760	19,500	2,260	10.4	21,460	19,400	2,060	9.6
Columbia	3,290	3,020	270	8.2	2,230	1,840	390	17.5	2,560	2,280	280	10.9
Cowlitz	34,370	30,350	4,020	11.7	34,160	30,120	4,040	11.8	34,480	30,320	4,160	12.1
Ferry	2,460	2,120	340	13.8	2,490	2,040	450	18.1	2,630	2,170	460	17.5
Garfield	1,000	900	100	10.0	1,020	890	130	12.7	1,030	910	120	11.7
Grant	24,450	21,550	2,900	11.9	23,900	20,680	3,220	13.5	24,200	21,830	2,370	9.8
Grays Harbor	25,630	22,640	2,990	11.7	25,820	22,650	3,170	12.3	25,800	22,230	3,570	13.8
Island	16,860	15,760	1,100	6.5	16,880	15,670	1,210	7.2	16,750	15,600	1,150	6.9
Jefferson	7,660	7,080	580	7.6	7,710	7,000	710	9.2	7,410	6,760	650	8.8
Kittitas	11,400	9,910	1,490	13.1	11,650	10,160	1,490	12.8	11,480	9,850	1,630	14.2
Klickitat	7,240	5,370	1,870	25.8	7,500	5,290	2,210	29.5	7,550	6,200	1,350	17.9
Lewis	24,050	21,140	2,910	12.1	23,930	20,940	2,990	12.5	23,710	20,690	3,020	12.7
Lincoln	4,220	3,950	270	6.4	4,320	3,930	390	9.0	4,010	3,760	250	6.2
Mason	12,280	11,140	1,140	9.3	12,210	10,940	1,270	10.4	12,560	11,320	1,240	9.9
Okanogan	14,320	12,180	2,140	14.9	14,520	11,890	2,630	18.1	14,430	11,570	2,860	19.8
Pacific	6,540	5,850	690	10.6	6,560	5,730	830	12.7	7,090	5,830	1,260	17.8
Pend Oreille	2,900	2,270	630	21.7	3,030	2,260	770	25.4	3,580	2,950	630	17.6
San Juan	4,300	3,990	310	7.2	4,140	3,740	400	9.7	4,530	4,230	300	6.6
Skagit	31,340	27,270	4,070	13.0	31,700	27,310	4,390	13.8	32,210	28,400	3,810	11.8
Skamania	2,700	2,190	510	18.9	2,280	1,740	540	23.7	2,540	2,110	430	16.9
Stevens	10,440	8,890	1,550	14.8	10,760	8,810	1,950	18.1	10,740	8,860	1,880	17.5
Wahkiakum	1,120	970	150	13.4	1,110	980	130	11.7	1,240	1,090	150	12.1
Walla Walla	23,340	21,380	1,960	8.4	22,970	19,940	3,030	13.2	23,460	21,290	2,170	9.2
Wenatchee Labor Area	36,530	32,220	4,310	11.8	38,310	32,990	5,320	13.9	36,710	31,190	5,520	15.0
Chelan County 2/	24,900	21,780	3,120	12.5	26,310	22,300	4,010	15.2	25,140	21,080	4,060	16.1
Douglas County 2/	11,650	10,450	1,200	10.3	12,000	10,700	1,300	10.8	11,570	10,110	1,460	12.6
Whitman	18,400	17,790	610	3.3	18,460	17,610	850	4.6	18,660	18,010	650	3.5

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT
ESTIMATES FOR FEDERAL PROGRAM PURPOSES

June 2, 1987
Benchmark: 1986

(Not Seasonally Adjusted)

	APRIL 1987 PRELIMINARY 1/				MARCH 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,182,200	2,000,200	182,000	8.3	2,183,000	1,980,200	202,800	9.3
Bellingham MSA	55,900	50,900	5,000	8.9	55,700	50,300	5,400	9.7
Bremerton MSA	69,700	65,100	4,600	6.6	70,300	65,300	5,000	7.1
Olympia MSA	71,600	65,800	5,800	8.1	71,900	65,700	6,200	8.6
Seattle PMSA	971,700	908,100	63,600	6.5	972,700	903,500	69,200	7.1
King County 2/	773,900	724,700	49,200	6.4	774,100	721,000	53,100	6.9
Snohomish County 2/	197,800	183,400	14,400	7.3	198,600	182,500	16,100	8.1
Spokane MSA	161,700	148,600	13,100	8.1	161,900	146,500	15,400	9.5
Tacoma MSA	232,100	210,400	21,700	9.3	233,100	210,300	22,800	9.8
Tri-Cities MSA	70,200	63,600	6,600	9.4	67,500	60,000	7,500	11.1
Benton County 2/	53,800	49,000	4,800	8.9	51,700	46,300	5,400	10.4
Franklin County 2/	16,300	14,500	1,800	11.0	15,800	13,700	2,100	13.3
Vancouver PMSA	103,600	94,300	9,300	9.0	104,000	93,800	10,200	9.8
Yakima MSA	85,300	73,900	11,400	13.4	83,300	70,300	13,000	15.6
Adams	6,120	5,490	630	10.3	6,160	5,290	870	14.1
Asotin	8,560	7,780	780	9.1	8,810	8,050	760	8.6
Clallam	21,880	19,750	2,130	9.7	21,640	19,290	2,350	10.9
Columbia	3,260	2,990	270	8.3	2,230	1,820	410	18.4
Cowlitz	34,080	30,000	4,080	12.0	33,970	29,780	4,190	12.3
Ferry	2,440	2,090	350	14.3	2,490	2,020	470	18.9
Garfield	990	890	100	10.1	1,010	880	130	12.9
Grant	24,250	21,300	2,950	12.2	23,790	20,450	3,340	14.0
Grays Harbor	25,400	22,370	3,030	11.9	25,700	22,400	3,300	12.8
Island	16,690	15,570	1,120	6.7	16,750	15,490	1,260	7.5
Jefferson	7,590	7,000	590	7.8	7,660	6,920	740	9.7
Kittitas	11,300	9,790	1,510	13.4	11,600	10,050	1,550	13.4
Klickitat	7,210	5,310	1,900	26.4	7,520	5,230	2,290	30.5
Lewis	23,850	20,900	2,950	12.4	23,820	20,710	3,110	13.1
Lincoln	4,190	3,910	280	6.7	4,300	3,890	410	9.5
Mason	12,170	11,010	1,160	9.5	12,140	10,820	1,320	10.9
Okanogan	14,220	12,040	2,180	15.3	14,500	11,760	2,740	18.9
Pacific	6,480	5,780	700	10.8	6,540	5,670	870	13.3
Pend Oreille	2,890	2,250	640	22.1	3,040	2,240	800	26.3
San Juan	4,260	3,940	320	7.5	4,110	3,700	410	10.0
Skagit	31,080	26,950	4,130	13.3	31,570	27,010	4,560	14.4
Skamania	2,680	2,160	520	19.4	2,290	1,720	570	24.9
Stevens	10,360	8,780	1,580	15.3	10,740	8,710	2,030	18.9
Wahkiakum	1,110	960	150	13.5	1,090	960	130	11.9
Walla Walla	23,120	21,130	1,990	8.6	22,870	19,720	3,150	13.8
Wenatchee Labor Area	36,220	31,840	4,380	12.1	38,150	32,630	5,520	14.5
Chelan County 2/	24,690	21,520	3,170	12.8	26,220	22,050	4,170	15.9
Douglas County 2/	11,540	10,320	1,220	10.6	11,930	10,580	1,350	11.3
Whitman	18,200	17,580	620	3.4	18,310	17,420	890	4.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Apr Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		April-87	March-87	April-86	April-86	March-87	April-86	April-87	March-87	April-86
TOTAL MANUFACTURING INDUSTRIES*	182,100	$476.41	$483.61	$467.68	39.8	40.1	39.5	$11.97	$12.06	$11.84
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	32,200	$421.88	$425.86	$431.66	39.5	39.8	38.2	$10.68	$10.70	$11.30
Primary Metal Industries	8,700	$527.10	$548.97	$538.20	41.9	43.5	41.4	$12.58	$12.62	$13.00
Fabricated Metal Products	7,400	$441.09	$440.04	$443.30	39.0	38.6	39.3	$11.31	$11.40	$11.28
Machinery	16,600	$369.31	$385.14 **	$381.35	37.8	39.1	39.6	$9.77	$9.85	$9.63
Food and Kindred Products	20,900	$350.93	$361.36	$348.19	35.7	36.1	37.2	$9.83	$10.01	$9.36
Chemical and Allied Products	5,300	$636.41	$602.17	$585.74	43.8	41.5	42.2	$14.53	$14.51	$13.88
Transportation Equipment	42,600	$615.22 **	$621.11 **	$573.40	42.4	42.6	42.1	$14.51	$14.58	$13.62
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	59,800	$599.31	$598.74	$588.38	36.7	36.8	36.5	$16.33	$16.27	$16.12
Wholesale and Retail Trade (does not include eating and drinking establishments)	273,200	$325.24	$323.19 **	$314.50	34.6	34.2	33.6	$9.40	$9.45	$9.36

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

8/14/87 S 8340-3

Washington

LABOR MARKET

June 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Unemployment Rate Drops to 7.5 Percent

Both agricultural and nonagricultural employment rose sharply between April and May as total employment in Washington State advanced 30,800. Reflecting the growth in job opportunities, total unemployment in the state fell from 181,000 and 8.2 percent of the labor force in April to 167,900 and 7.5 percent in May.

Shortage of Farm Workers Develops

Agricultural payrolls jumped in May with the asparagus harvest in full swing and thousands of other farm workers employed in fruit thinning, hop training, ground preparation and planting. In late May and early June a shortage of farm workers occurred in Central Washington. The shortage resulted from a bumper cherry crop and an overlap in the cherry and asparagus harvests and the need for workers to thin apples and pears. The new immigration law was also thought to be a factor in the shortage.

Volume 11, Number 6

	May 1987* (Prel.)	Apr. 1987* (Rev.)	May 1986
Civilian Labor Force	2,224,000	2,206,300	2,183,000
Total Employment	2,056,100	2,025,300	2,009,800
Total Unemployment	167,900	181,000	173,200
State Unemployment Rate	7.5	8.2	7.9
National Civilian Unemployment Rate	6.1	6.2	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Nonfarm Employment Adds 18,900 Led by Retail Trade

Nonagricultural employment also advanced in May and added 18,900 jobs. Retail trade (up 6,200) led the expansion with the largest gains at restaurants and other eating and drinking places because of growing tourist business and outings by local residents. Spring weather prompted gardening, remodeling, and fix-up projects by householders which resulted in expansions at hardware, building supply stores and nurseries. Food stores, department stores and gasoline stations also reported sizable job gains in May.

Tourist Business Creates Jobs

More tourist business helped boost employment in the service industries (up 2,500), too. Employment moved ahead in hotels-motels and in amusements (golf courses, amusements parks, carnivals, etc.). Business service firms such as temporary help agencies, equipment rental outlets, protective service agencies and management consulting firms also posted healthy gains. Firms which prepare income tax returns for others, however, cut staffing after the tax deadline passed in April.

Construction Workers On The Road

In other nonmanufacturing industries, construction employment moved up 3,100 with ideal weather for outdoor activity. Over 40 percent of the new building trade jobs were in heavy construction which includes street, highway and freeway construction. Civilian government employment rose 1,300 in May despite a drop of 500 in public education where the regular school year was drawing to a close. Much of the growth in public sector was seasonal and occurred at parks and forests. Other noteworthy increases in May included a gain of 900 in transportation-communications-utilities and 600 in wholesale trade. The increase in the transportation group was partially the result of the beginning of farm-to-market hauling. Air transportation also expanded as did transportation services which includes travel agencies. The major increase in wholesaling was in groceries and at firms handling fresh fruits and vegetables. The bumper cherry crop will result in a substantial gain in jobs at fruit wholesalers in June.

Manufacturing Adds 4,000 Jobs

Manufacturing added 4,000 jobs in May. Lumber and wood products increased 1,200 to post the largest gain; most of the new jobs were in logging which benefited from mild weather. Food products rose 800 with asparagus processing at its peak and spring weather increasing demand for beverages and snack food items. Aerospace added 700 in the latest month to bring its total gain for the first five months of the year up to 2,200. While this is less than the 3,900 job gain posted in the corresponding period of 1986, it was well above the increase forecast for the industry earlier this year.

High-Tech Gains In State

Elsewhere in manufacturing, instruments rose 500 in May with the gain mainly the result of one firm transferring out-of-state employees to a plant in this state. A number of other manufacturing industries reported increases of 100 or 200 between April and May. The only loss in the goods-producing industries from April occurred in "other transportation equipment" which fell 200 because of further cutbacks in shipbuilding.

Employment Up Substantially Over The Year

While unfavorable economic factors have received much publicity, such as the huge national budget and foreign trade deficits, rising interest rates and inflation, employment in the nation has continued to grow sufficiently to reduce unemployment. And employment growth in Washington State has exceeded that of the nation over the past year. Between May 1986 and May 1987, nonfarm employment in the nation rose 2.4 percent versus 3.1 percent in this state. Nationally, virtually all of the expansion was in nonmanufacturing jobs, while manufacturing employment in the state was up 1.6 percent thanks to the expansion in aerospace.

Numerically, total nonagricultural wage and salary employment rose 54,700 in Washington State over the year. Manufacturing accounted for 4,800 of the new jobs. Aerospace alone rose 6,500 year to year, but growth in aerospace was partially offset by losses in other manufacturing sectors. The major declines occurred in primary metals and nonelectrical machinery. Employment in primary metals fell 1,100 over the year largely because of the closure of two aluminum plants. Fortunately, both are expected to reopen this year under new ownership. Nonelectrical machinery was down 2,200 over the year mainly because of the end of contracts to build equipment for the petroleum industry in Alaska. Shipbuilding was also down sharply over the year, but the 1,300 drop was offset by growth in boatbuilding payrolls and other segments of the "other transportation equipment" industry.

Gains in manufacturing employment other than aerospace were relatively small with the largest noted in pulp-paper (up 700) and printing-publishing (up 400). Pulp and paper has enjoyed strong foreign demand because of the decline in the value of the dollar and strong domestic markets as well. Printing-publishing has benefited from good overall business conditions which has resulted in more advertising revenue.

Restaurant Employment Continues to Grow

In the nonmanufacturing industries, retail trade employment rose 14,200 over the year, while the service industries added 16,700 workers. Together, these two industries accounted for 56 percent of all the new nonfarm jobs in the past 12 months. Over 40 percent of the new jobs in retail trade were credited to eating and drinking places. Rather than competing for food service jobs, the "baby boom" generation is now creating them as consumers, while restaurants compete for the declining number of youth to fill their job openings. Nearly all other segments of retail trade also expanded over the year. The most noteworthy gains were at building material stores, service stations, and food stores. A growing "do-it-yourself" trend may be behind the increase at building material-hardware stores. The increase in the service station category is largely the result of the addition of mini-marts at gasoline stations. Grocery store employment has grown strongly because of the expansion of product lines to include more nonfood items and because many stores are remaining open longer with many in major cities now open 24 hours each day.

Business and Medical Services Strong

Nearly all services industries reported job gains over the year, but the largest were in business services and medical services which together accounted for 60 percent of the expansion. Much of the increase in business services was at firms supplying workers to other firms on a temporary basis, in computer and data processing services, management consulting and protective services. The major gain in medical services occurred in offices of health practitioners (physicians, dentists, optometrists, etc.) and at establishments which provide help to alcohol and drug abusers and individuals who want to stop smoking. Strict enforcement of laws related to driving while intoxicated and growing restrictions on smoking in public buildings and the workplace have increased the demand for alcoholism treatment and stop-smoking programs.

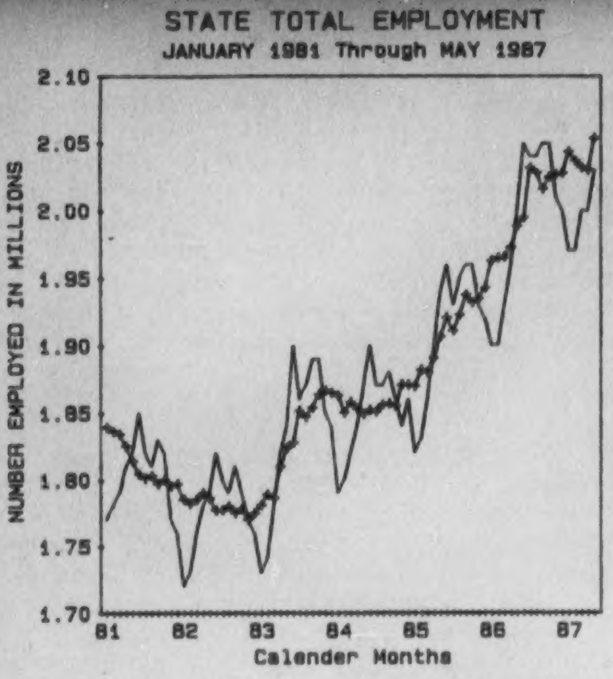
In other nonmanufacturing industries, civilian government payrolls rose 7,200 or 2.0 percent. The relative increase, though, was well below that of total nonfarm employment which increased 3.1 percent. Construction employment was up 3,800 over the year with all segments of the industry showing gains over the year. Transportation, communications and utilities added 2,500 year to year; an expansion in business activity boosted trucking and warehousing, but employment at telephone companies and railroads was lower. Finance, insurance and real estate employment moved up 2,200 from May 1986. About one-half of the gain was in real estate. Insurance payrolls were also higher, but employment in banking declined over the year.

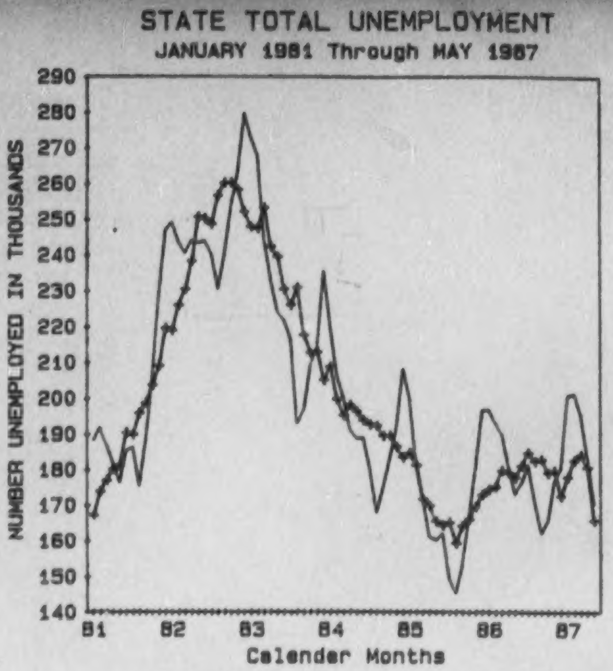
Yakima Leads Seasonal Expansion

Agriculture, food processing and related work was a major force behind the April-May employment expansion. While Western Washington actually added more jobs between April and May than Eastern Washington (16,000 versus 15,000), the relative increase was much greater east of the Cascades. Employment in Eastern Washington rose 3.4 percent over the month, while the gain on the west side was 1.0 percent. Areas in Eastern Washington where the asparagus crop was being harvested and processed experienced the greatest growth, mainly Yakima and Walla Walla counties. In Yakima County employment jumped 5,300, or 7.1 percent, over the month and its unemployment rate fell from 13.2 to 11.0 percent. Walla Walla County saw its job total advance 1,400, or 6.6 percent, and its jobless rate fall from 8.5 to 6.7 percent.

Jobless Rates Down Seasonally In Lumber Areas

Lumber and logging areas also enjoyed a substantial pick up in employment over the month because of seasonal growth in logging employment. Total employment in the lumber areas rose 3.3 percent in May and their combined unemployment rate fell from 12.6 to 10.9 percent. Typical of these areas were Grays Harbor, Lewis and Pacific counties. The jobless rate in Grays Harbor County fell from 12.0 to 11.0 percent;





+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

Lewis County's rate dropped from 12.2 to 10.4 percent, while Pacific County saw its rate decline from 10.5 to 9.5 percent.

Employment growth and reductions in unemployment rates were more modest between April and May in the state's major metropolitan areas. Employment changes in agriculture and logging, of course, have less impact on these areas. The jobless rate in the Seattle Metropolitan Area dopped from 6.4 to 6.0 percent. While the decline was relatively small, Seattle's May rate remained well below the statewide average (7.5 percent) and was slightly below the national rate (6.1 percent). In the Tacoma Metropolitan Area the unemployment rate fell from 9.2 to 8.5 percent, while Spokane saw its rate decline from 7.9 to 7.4 percent.

Seattle Booming, But Labor Force Down Over The Year in Eastern Washington and Lumber Areas

In contrast to April-May developments, most of the job growth over the year has been in the Seattle Metropolitan Area. Employment in the Seattle area rose 35,500 year to year, 4.0 percent, to account for over three-fourths of the state's new jobs. Eastern Washington added only 1,100 jobs year to year for a gain of 0.2 percent. The jobless rate in the eastern counties fell from 9.9 to 9.3 percent year to year, but this was partially the result of a decline in the size of the area's labor force (508,700 to 507,000) which may reflect an out-migration of workers. The size of the labor force also declined over the year in counties highly dependent on the lumber industry with both employment and unemployment down slightly.

MANUFACTURING INDUSTRIES

Boeing Jet Top Seller

The Boeing Company announced in mid-June that it has now taken orders for 1,842 of its 737 jetliners making the aircraft the most ordered jetliner ever. The record had been held by Boeing's 727 tri-jet which went out of production three years ago.

Boeing's orders for commercial airliners have remained strong this year despite expectations of a decline following record orders in 1986. Through mid-June Boeing logged orders for 194 aircraft valued at about $9.9 billion compared with orders for 149 airplanes valued at $8.9 billion for the comparable period in 1986.

Production May Expand

While Boeing had forecast a relatively stable workforce in the Puget Sound area this year, the company was reported to be considering the expansion of production of its 737s from 14 to 17 per month which would require additional hiring. Boeing's ability to expand production gives it an advantage over Airbus Industrie which has completely booked its capacity to build its A-320 jet, a principal rival of the Boeing 737.

$7.5 Billion Order

Texas Air has been reported to be considering the purchase of 100 Boeing 757s and 100 Boeing 737s for an order which could total a record $7.5 billion.

Less Overseas Manufacturing

A survey of North American manufacturers by Boston University found that 32 percent of the manufacturers expected to increase the proportion of production done at home, 44 percent believed there would be no change in the proportion, while 24 percent expected to increase the share of overseas production. Last year only 19 percent forecast an increase in the proportion of their home area production.

Manufacturers expecting to increase the proportion of their North American production cited as reasons the improvement in exchange rates, improvement in American quality, hidden costs of manufacturing overseas and concern over U.S. trade policy.

Lumber Firm Finds Big Market In Japan

Despite difficulties in competing in Japanese markets, Portac Inc., a Tacoma lumber manufacturer, has a growing market for its finished lumber in Japan. The firm has tripled its sales in the last four years largely because of its growing market in Japan. To successfully compete in the Japanese market, Portac invested heavily in new equipment and bought more logs from higher elevations to meet Japanese quality standards. Logs from higher elevations produce a finer grain, which is preferred in Japan.

The company is owned by a Japanese firm, which has been an unquestionable benefit, but American managers and workers at Portac were credited for the firm's success.

Lock Plant From Ireland

Webster Hardware is an example of a foreign firm which shifted its operation to the U.S. The door lock manufacturing firm, which moved to Ephrata from Ireland, began operation in April with about 35 employees. The firm would like to boost its workforce to 100 this year and to 200 eventually if market conditions permit. A company spokesman said, "The American employees want to work and they do quality work." Other factors favoring the plant's location in Ephrata were low cost power, and adequate water supply, and the availability of zinc from mines in Northern Idaho and British Columbia.

ISC To Cut Manufacturing

The state and nation is still losing some jobs overseas, however. ISC Systems Corp. expects to reduce its manufacturing in Spokane sharply over the next 24 to 36 months. About 80 of the firm's 260 employees in Spokane are involved in manufacturing computer systems for banks. Over the past three years, however, the firm has been buying more and more components for its systems from other manufacturers, particularly those in Asia.

ISC has been giving its manufacturing workers the opportunity to apply for other jobs within the company. A spokesman said the firm currently had 60 openings in other cities. ISC also has an education reimbursement program for employees who wish to train for other jobs.

Pulp Mill Strike Ends

The labor dispute involving approximately 350 workers, which began June 10 at the ITT Rainier pulp mill in Port Angeles, was settled in late June when union workers accepted the company's offer by a four vote margin. The contract included a $1,000 signing bonus, a $750 payment in the second year, a two percent increase in the third year and a minimum of a two percent raise in the fourth year. The increase in the fourth year is based on an incentive program and could be as high as six percent according to the company.

Vancouver Aluminum Plant Reopens

Vanalco, Inc. reopened the former ALCOA aluminum plant in the last week of June with 200 employees. The plant had been closed since last summer. Eventually the firm expects to employ 400 to 500 workers.

Sale of Goldendale Smelter Near

Meanwhile, the sale and reopening of the Goldendale aluminum smelter, which has been closed since February, is now contingent only upon the approval of direct service power sales by the Bonneville Power Administration. Columbia Aluminum Company, which is purchasing the smelter from Commonwealth Aluminum Corp., expects to employ 440 workers and operate two of the three potlines at the plant.

NONMANUFACTURING INDUSTRIES

Housing Starts Going Down

Construction employment in the state does not yet appear to be affected by a slowdown in the homebuilding industry. Nationally, at least, higher mortgage rates have reduced housing starts and new home sales. Housing starts nationally fell in May for the third consecutive month after seasonal adjustment and were at their lowest level since December 1984. The loss between April and May occurred in the construction of single-family homes which fell 7.6 percent. Construction of multi-family units rose 10.8 percent, but this did not offset the loss of 14.6 percent in the apartment sector in April.

Analysts attributed the downturn in housing starts to a sharp increase in mortgage rates. A survey of fixed-rate mortgages by the Federal Home Loan Mortgage Corp. shows rates increasing from a nine-year low of nine percent at the end of March to a high of 10.81 percent on May 22. Rates have declined slightly since that time.

New home sales have also dropped in response to higher mortgage rates. Sales of new single-family homes fell 14.9 percent nationally in May after seasonal adjustment and were 20.7 percent below their May 1986 level. Sales of existing homes, however, increased 5.1 percent this May, suggesting housing demand is still strong, but high mortgage rates make new homes affordable to fewer individuals and families. The median price of a new home nationally in May was $106,800.

Building permits for housing units, a barometer of future activity, fell 7.6 percent in May after seasonal adjustment and were at their lowest level since March 1983.

Growth In Consumer Spending Slow

Growth in consumer spending continued at a slow pace in May, rising 0.1 percent nationally after seasonal adjustment. Consumers are apparently paying off debt following strong spending last year and taking on little new debt. Slow growth in personal income was also checking increases in spending. Personal income rose 0.2 percent in May, but economists noted that this was less than the rate of inflation.

Retail sales were down 0.6 percent in May, but were up 0.3 percent excluding auto sales, which declined. The sales data would be even weaker if they were adjusted for inflation. The weakest area in sales during May were durable goods, items expected to last three years or more. Sales of nondurables, however, rose 0.6 percent. Higher sales were reported in general merchandise (up 0.8 percent), at food stores (up 0.3 percent), gasoline stations (up 0.8 percent), and apparel stores (up 1.3 percent).

Railroad May Cut Jobs

Burlington Northern Inc. may reduce its national employment by 5,000 to make the railroad more profitable, according to a company spokesman. The railroad employs 4,812 workers in Washington State according to the press release but there were no estimates on how many might be affected because no specific plans to reduce employment have been made.

The company told unions representing its employees in June that it wanted to reopen talks on an informal basis to change work rules it considered restrictive.

Nimitz to Increase Kitsap County Population 6,500 to 7,500

The arrival of the supercarrier U.S.S. Nimitz in Bremerton this July is expected to increase Kitsap County's population 6,500 to 7,500. About half of the ship's 3,000 crew members are married and will bring their families. The Nimitz will be stationed in Bremerton until it moves to Everett, which is not expected to occur until 1990 at the earliest. Obviously, the population influx will give the economies of Kitsap County and adjoining Pierce County a significant boost.

National Context

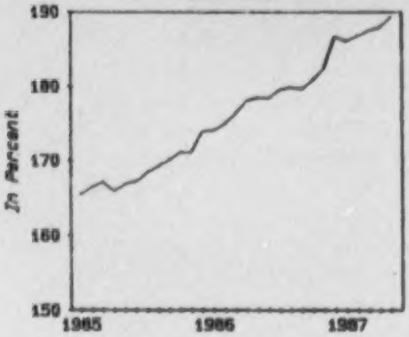
Consumer Confidence Up

Contrasting to the slow growth in consumer spending this year, the Conference Board's monthly survey of consumer confidence rose in May. The Board's index of consumer confidence rose from 94.4 in April to 103.1 in May and has shown a steady uptrend since the beginning of the year. The survey indicated more people were planning to buy automobiles, homes, and major appliances, although the number reporting plans to purchase new cars remained well below last year's level.

The executive director of the Board's consumer research center attributed the rise in consumer confidence to relatively low unemployment saying that consumers are more confident on current and future job prospects than they have been in a long time. The Conference Board is a business-supported research group.

Leading Indicators Up

INDEX OF LEADING ECONOMIC INDICATORS
National Monthly Average 1985-Current
(1967=100)



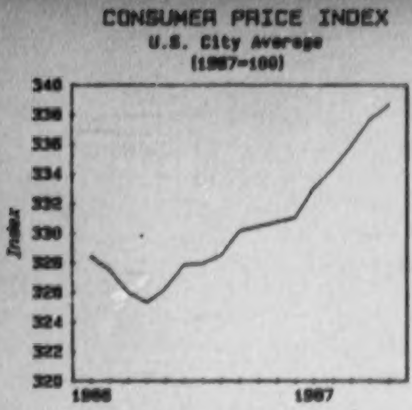
The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose a brisk 0.7 percent in May to post its fourth consecutive monthly increase. The March-April change, which had originally been reported as a 0.6 decline, was revised to a gain of 0.2 percent after data on the credit outstanding became available. Several economists said that the trend in the Index suggests economic growth will strengthen in the second half of 1987. Beryl Sprinkel, Chairman of the President's Council of Economic Advisors, said "Prospects are good for an acceleration of real economic growth in 1987 and a continuation of economic expansion into 1988."

Leading economic indicators contributing to the advance in the index in May were the average workweek, orders for plant and equipment, slower business deliveries (suggesting larger order backlogs) and sensitive material prices (suggesting greater demand). Indicators on the negative side included building permits and the money supply. Slight declines occurred in the indexes for orders for consumer goods, unemployment claims (up), and stock market prices. Data on business inventories and credit outstanding were not available for computing the preliminary estimate of the Index of Leading Economic Indicators for May.

New Technology May Minimize Unemployment

A National Academy of Sciences study maintains that rapid adoption of new industrial technology in the U.S. may minimize unemployment rather than increase it. Because of rising trade competition, use of new technology is increasingly important for the U.S. to compete successfully with foreign countries, according to the academy. The study noted that "Higher productivity growth, which is supported by technological change, is essential to the maintenance of higher real earnings and the preservation of U.S. jobs."

The academy acknowledged, however, that technological change can result in temporary job losses and recommended job counseling and other employment services be expanded for workers displaced by



technological change. It also recommended that more federal funds be allocated for training and retraining and for research and other ways to encourage faster adoption of new technology.

CONSUMER PRICE INDEX*

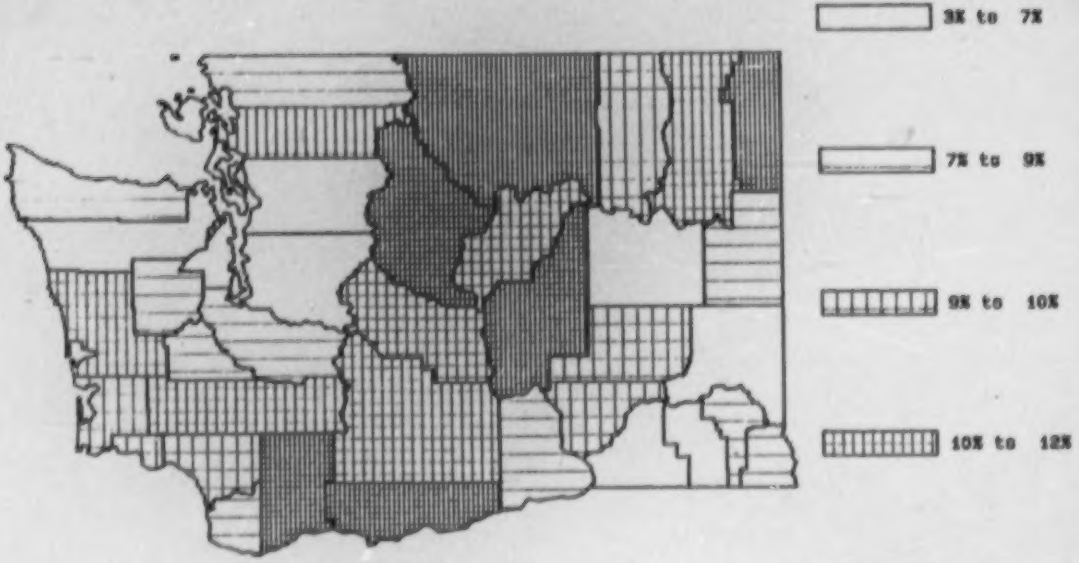
(All Items, Urban Consumers, 1967=100)

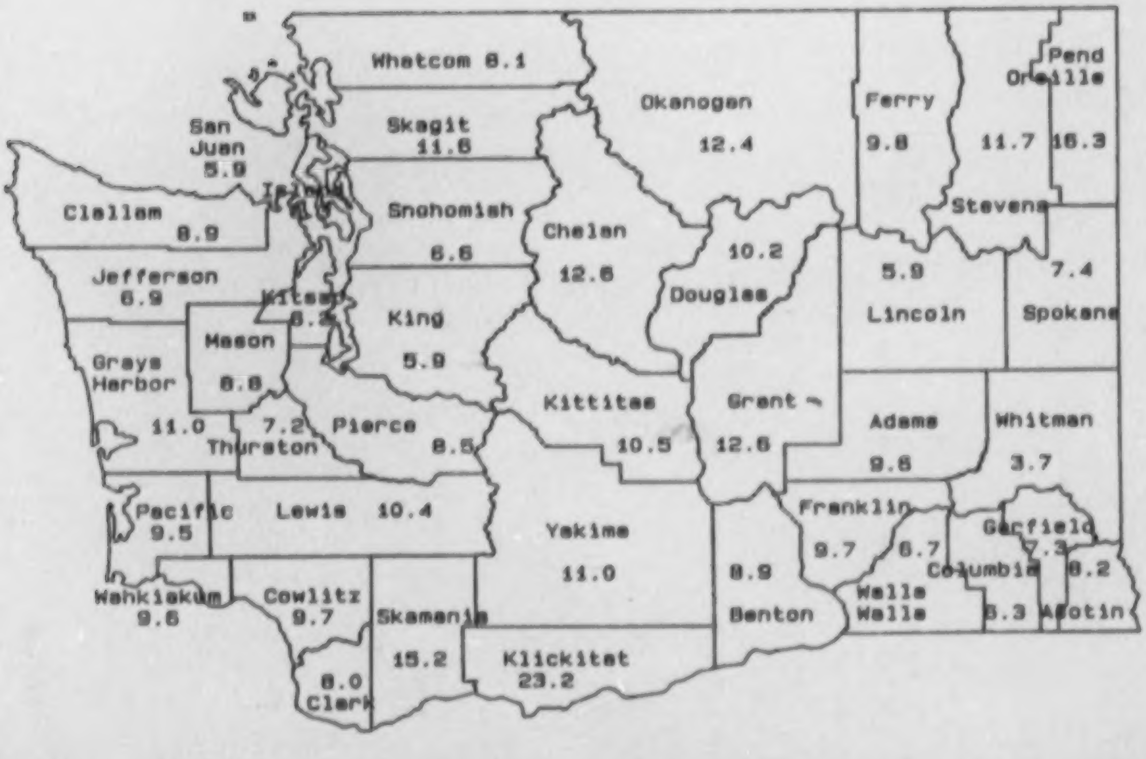
	INDEXES			PERCENT CHANGE Year Ending	
	May 1987	Apr. 1987	May 1986	May 1987	Apr. 1987
U.S. City Average	338.7	337.7	326.3	3.8	3.8

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

MAY UNEMPLOYMENT RATES

State of Washington 7.5


3% to 7%
7% to 9%
9% to 10%
10% to 12%
12% to 24%


Whatcom 8.1
San Juan 5.9
Island
Skagit 11.6
Okanogan 12.4
Ferry 9.8
11.7
Pend Oreille 16.3
Stevens
Clallam 8.9
Snohomish 6.6
Chelan 12.6
10.2
Douglas
5.9
Lincoln
7.4
Spokane
Jefferson 6.9
Kitsap 8.2
King 5.9
Mason 8.8
Grays Harbor 11.0
7.2 Thurston
Pierce 8.5
Kittitas 10.5
Grant 12.6
Adams 9.6
Whitman 3.7
Pacific 9.5
Lewis 10.4
Yakima 11.0
Franklin 9.7
6.7
Garfield 7.3
8.9
Benton
Walla Walla
Columbia 8.3
8.2 Asotin
Wahkiakum 9.6
Cowlitz 9.7
Skamania 15.2
Klickitat 23.2
8.0 Clark

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 6/30/87
Benchmark: 1986

	MAY 1987 PRELIMINARY 1/				APRIL 1987 REVISED 1/				MAY 1986 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,224,000	2,056,100	167,900	7.5	2,206,300	2,025,300	181,000	8.2	2,183,000	2,009,800	173,200	7.9
Bellingham MSA	57,100	52,500	4,600	8.1	56,700	51,700	5,000	8.8	55,700	50,900	4,800	8.6
Bremerton MSA	70,800	66,400	4,400	6.2	70,400	65,900	4,500	6.4	69,800	65,500	4,300	6.2
Olympia MSA	72,200	67,000	5,200	7.2	71,600	65,900	5,700	8.0	69,900	64,400	5,500	7.9
Seattle PMSA	984,800	925,300	59,500	6.0	983,000	919,700	63,300	6.4	951,500	889,800	61,700	6.5
King County 2/	784,600	738,400	46,200	5.9	782,900	733,900	49,000	6.3	756,800	710,100	46,700	6.2
Snohomish County 2/	200,200	186,900	13,300	6.6	200,100	185,700	14,400	7.2	194,700	179,700	15,000	7.7
Spokane MSA	164,500	152,300	12,200	7.4	163,300	150,400	12,900	7.9	163,800	151,300	12,500	7.6
Tacoma PMSA	234,100	214,100	20,000	8.5	234,400	212,900	21,500	9.2	229,500	211,200	18,300	8.0
Tri-Cities MSA	71,800	65,300	6,500	9.1	70,900	64,300	6,600	9.3	70,900	64,500	6,400	9.0
Benton County 2/	55,300	50,400	4,900	8.9	54,400	49,600	4,800	8.8	54,500	49,800	4,700	8.6
Franklin County 2/	16,500	14,900	1,600	9.7	16,500	14,700	1,800	10.9	16,400	14,800	1,600	9.8
Vancouver PMSA	106,600	98,100	8,500	8.0	105,500	96,200	9,300	8.8	105,100	96,300	8,800	8.4
Yakima MSA	90,100	80,200	9,900	11.0	86,300	74,900	11,400	13.2	89,900	77,800	12,100	13.5
Adams	6,760	6,110	650	9.6	6,170	5,540	630	10.2	7,300	6,630	670	9.2
Asotin	8,630	7,920	710	8.2	8,700	7,930	770	8.9	8,170	7,490	680	8.3
Clallam	22,610	20,600	2,010	8.9	22,080	19,960	2,120	9.6	21,940	19,810	2,130	9.7
Columbia	3,470	3,250	220	6.3	3,250	2,990	260	8.0	2,840	2,580	260	9.2
Cowlitz	34,030	30,740	3,290	9.7	34,360	30,290	4,070	11.8	35,210	31,340	3,870	11.0
Ferry	2,540	2,290	250	9.8	2,480	2,120	360	14.5	2,670	2,300	370	13.9
Garfield	1,100	1,020	80	7.3	1,000	900	100	10.0	1,200	1,110	90	7.5
Grant	25,330	22,150	3,180	12.6	24,500	21,590	2,910	11.9	25,220	22,910	2,310	9.2
Grays Harbor	26,070	23,210	2,860	11.0	25,720	22,630	3,090	12.0	26,010	23,090	2,920	11.2
Island	17,410	16,320	1,090	6.3	16,910	15,790	1,120	6.6	17,400	16,290	1,110	6.4
Jefferson	7,990	7,440	550	6.9	7,680	7,100	580	7.6	7,670	7,050	620	8.1
Kittitas	11,480	10,270	1,210	10.5	11,380	9,900	1,480	13.0	11,860	10,550	1,310	11.0
Klickitat	7,830	6,010	1,820	23.2	7,260	5,360	1,900	26.2	8,230	7,010	1,220	14.8
Lewis	24,660	22,090	2,570	10.4	24,110	21,170	2,940	12.2	24,510	21,840	2,670	10.9
Lincoln	4,740	4,460	280	5.9	4,160	3,880	280	6.7	4,830	4,570	260	5.4
Mason	12,380	11,290	1,090	8.8	12,290	11,140	1,150	9.4	12,530	11,360	1,170	9.3
Okanogan	14,360	12,580	1,780	12.4	14,360	12,180	2,180	15.2	14,330	12,150	2,180	15.2
Pacific	6,710	6,070	640	9.5	6,550	5,860	690	10.5	6,910	6,170	740	10.7
Pend Oreille	2,890	2,420	470	16.3	2,920	2,270	650	22.3	3,630	3,100	530	14.6
San Juan	4,570	4,300	270	5.9	4,300	3,980	320	7.4	4,490	4,220	270	6.0
Skagit	31,540	27,890	3,650	11.6	31,270	27,220	4,050	13.0	32,200	28,520	3,680	11.4
Skamania	2,570	2,180	390	15.2	2,650	2,140	510	19.2	2,570	2,170	400	15.6
Stevens	10,810	9,540	1,270	11.7	10,540	8,970	1,570	14.9	11,150	9,670	1,480	13.3
Wahkiakum	1,150	1,040	110	9.6	1,110	960	150	13.5	1,270	1,130	140	11.0
Walla Walla	24,400	22,760	1,640	6.7	23,350	21,360	1,990	8.5	25,690	23,790	1,900	7.4
Wenatchee Labor Area	37,130	32,740	4,390	11.8	36,630	32,250	4,380	12.0	37,320	32,160	5,160	13.8
Chelan County 2/	25,310	22,120	3,190	12.6	24,980	21,800	3,180	12.7	25,410	21,730	3,680	14.5
Douglas County 2/	11,810	10,610	1,200	10.2	11,660	10,460	1,200	10.3	11,910	10,430	1,480	12.4
Whitman	19,090	18,380	710	3.7	18,420	17,810	610	3.3	19,640	18,940	700	3.6

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

June 30, 1987
Benchmark: 1986

	MAY	1987 PRELIMINARY 1/			APRIL	1987 REVISED 1/		
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,205,400	2,034,900	170,500	7.7	2,185,200	2,001,500	183,700	8.4
Bellingham MSA	56,600	51,900	4,700	8.3	56,200	51,100	5,100	9.1
Bremerton MSA	70,100	65,700	4,400	6.3	69,700	65,100	4,600	6.6
Olympia MSA	71,600	66,300	5,300	7.4	71,000	65,200	5,800	8.2
Seattle PMSA	976,100	915,700	60,400	6.2	973,100	908,800	64,300	6.6
King County 2/	777,700	730,800	46,900	6.0	775,000	725,300	49,700	6.4
Snohomish County 2/	198,400	184,900	13,500	6.8	198,100	183,500	14,600	7.4
Spokane MSA	163,100	150,700	12,400	7.6	161,800	148,700	13,100	8.1
Tacoma MSA	232,200	211,900	20,300	8.7	232,200	210,400	21,800	9.4
Tri-Cities MSA	71,200	64,600	6,600	9.3	70,300	63,600	6,700	9.5
Benton County 2/	54,900	49,900	5,000	9.1	53,800	49,000	4,800	8.9
Franklin County 2/	16,400	14,800	1,600	9.8	16,300	14,500	1,800	11.0
Vancouver PMSA	105,700	97,100	8,600	8.1	104,500	95,100	9,400	9.0
Yakima MSA	89,400	79,300	10,100	11.3	85,600	74,100	11,500	13.4
Adams	6,710	6,050	660	9.8	6,110	5,470	640	10.5
Asotin	8,570	7,840	730	8.5	8,620	7,840	780	9.0
Clallam	22,430	20,390	2,040	9.1	21,880	19,730	2,150	9.8
Columbia	3,450	3,220	230	6.7	3,230	2,960	270	8.4
Cowlitz	33,760	30,420	3,340	9.9	34,070	29,940	4,130	12.1
Ferry	2,510	2,260	250	10.0	2,450	2,090	360	14.7
Garfield	1,090	1,010	80	7.3	990	890	100	10.1
Grant	25,150	21,920	3,230	12.8	24,280	21,330	2,950	12.1
Grays Harbor	25,880	22,980	2,900	11.2	25,490	22,360	3,130	12.3
Island	17,250	16,150	1,100	6.4	16,740	15,610	1,130	6.8
Jefferson	7,920	7,370	550	6.9	7,600	7,010	590	7.8
Kittitas	11,390	10,170	1,220	10.7	11,300	9,790	1,510	13.4
Klickitat	7,790	5,940	1,850	23.7	7,230	5,300	1,930	26.7
Lewis	24,470	21,860	2,610	10.7	23,910	20,920	2,990	12.5
Lincoln	4,690	4,410	280	6.0	4,120	3,840	280	6.8
Mason	12,280	11,170	1,110	9.0	12,170	11,010	1,160	9.5
Okanogan	14,260	12,450	1,810	12.7	14,240	12,030	2,210	15.5
Pacific	6,660	6,010	650	9.8	6,490	5,790	700	10.8
Pend Oreille	2,870	2,390	480	16.7	2,900	2,240	660	22.8
San Juan	4,530	4,260	270	6.0	4,260	3,940	320	7.5
Skagit	31,310	27,610	3,700	11.8	31,010	26,900	4,110	13.3
Skamania	2,540	2,150	390	15.4	2,640	2,120	520	19.7
Stevens	10,730	9,440	1,290	12.0	10,450	8,860	1,590	15.2
Wahkiakum	1,130	1,020	110	9.7	1,100	950	150	13.6
Walla Walla	24,200	22,530	1,670	6.9	23,130	21,110	2,020	8.7
Wenatchee Labor Area	36,860	32,400	4,460	12.1	36,320	31,870	4,450	12.3
Chelan County 2/	25,140	21,900	3,240	12.9	24,770	21,540	3,230	13.0
Douglas County 2/	11,720	10,500	1,220	10.4	11,550	10,330	1,220	10.6
Whitman	18,910	18,190	720	3.8	18,220	17,600	620	3.4

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

NOT SEASONALLY ADJUSTED	(In Thousands)				Numerical Change	
Industry	May. 1987 (Prel.)	Apr. 1987 (Rev.)	May. 1986 (Rev.)	Apr. 1986 (Rev.)	Apr. 87 to May. 87	May. 86 to May. 87
TOTAL NONAG. WAGE AND SALARY....	1829.7	1810.8	1775.0	1757.1	18.9	54.7
MANUFACTURING..................	310.1	306.1	305.3	303.5	4.0	4.8
Durable Goods................	217.3	214.6	213.8	213.2	2.7	3.5
Lumber & Wood Products.....	38.9	37.7	38.7	37.5	1.2	0.2
Furniture & Fixtures.......	4.0	4.0	3.8	3.8	0.0	0.2
Stone, Clay & Glass........	6.3	6.2	6.3	6.2	0.1	0.0
Primary Metals.............	11.2	11.1	12.3	12.3	0.1	-1.1
Aluminum.................	7.2	7.2	8.1	8.1	0.0	-0.9
Fabricated Metals..........	10.0	9.9	9.9	9.8	0.1	0.1
Machinery..................	28.5	28.3	31.1	32.1	0.2	-2.6
Machinery (Exc. Elec.)...	16.4	16.2	18.6	19.5	0.2	-2.2
Electrical Equip.........	12.1	12.1	12.5	12.6	0.0	-0.4
Transportation Equip.......	103.3	102.8	96.7	96.4	0.5	6.6
Aerospace................	90.4	89.7	83.9	83.3	0.7	6.5
Other Transp. Equip......	12.9 4/	13.1 4/	12.8	13.1	-0.2	0.1
Instruments & Related......	10.3	9.8	10.5	10.5	0.5	-0.2
Misc. Manufacturing........	4.8	4.8	4.5	4.6	0.0	0.3
Nondurable Goods.............	92.8	91.5	91.5	90.3	1.3	1.3
Food & Kindred Products....	30.3	29.5	30.8	30.0	0.8	-0.5
Canned & Preserved Foods.	10.9	10.5	11.3	11.0	0.4	-0.4
Apparel & Allied Products..	6.0	5.9	5.7	5.6	0.1	0.3
Paper & Allied Products....	17.4	17.2	16.7	16.6	0.2	0.7
Printing & Publishing......	19.1	18.9	18.7	18.5	0.2	0.4
Chemicals & Allied Products	11.8	11.8	11.5	11.5	0.0	0.3
Other Nondurable Goods 3/..	8.2	8.2	8.1	8.1	0.0	0.1
MINING & QUARRYING	3.0	2.9	3.0	3.0	0.1	0.0
CONSTRUCTION...................	89.4	86.3	85.6	81.8	3.1	3.8
TRANSP.,COMM. & UTIL...........	97.6 4/	96.7 4/	95.1	94.6	0.9	2.5
WHOLESALE & RETAIL TRADE.......	450.7	443.9	433.2	427.0	6.8	17.5
Wholesale Trade............	109.7	109.1	106.4	105.9	0.6	3.3
Retail Trade...............	341.0	334.8	326.8	321.1	6.2	14.2
FIN. INS. & REAL ESTATE........	107.5	107.3	105.3	104.2	0.2	2.2
SERVICES.......................	410.6	408.1	393.9	391.1	2.5	16.7
Health Services............	126.1	125.9	121.2	120.9	0.2	4.9
GOVERNMENT.....................	360.8	359.5	353.6	351.9	1.3	7.2
Federal....................	72.5	71.9	69.2	69.0	0.6	3.3
State & Local..............	288.3	287.6	284.4	282.9	0.7	3.9
Education................	154.3	154.8	153.8	153.5	-0.5	0.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	1.1	1.1	0.0	0.0	0.0	1.1

1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

4/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim May Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May-87	April-87	May-86	May-86	April-87	May-86	May-87	April-87	May-86
TOTAL MANUFACTURING INDUSTRIES*	185,100	$478.39	$479.19	$470.84	40.1	39.8	39.7	$11.93	$12.04	$11.86
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,100	$430.23	$437.34	$456.98	38.9	39.4	39.6	$11.06	$11.10	$11.54
Primary Metal Industries	8,900	$539.18	$536.33	$536.32	43.1	42.6	41.9	$12.51	$12.59	$12.80
Fabricated Metal Products	7,600	$441.54	$439.57	$449.60	39.6	38.9	40.0	$11.15	$11.30	$11.24
Machinery	16,900	$382.71	$371.42	$377.12	39.7	37.9	38.6	$9.64	$9.80	$9.77
Food and Kindred Products	21,600	$381.12	$351.29	$345.77	39.7	35.7	37.3	$9.60	$9.84	$9.27
Chemical and Allied Products	5,500	$607.33	$624.79	$603.05	42.5	43.6	42.8	$14.29	$14.33	$14.09
Transportation Equipment	42,700	** $605.68	** $613.53	$566.91	41.8	42.4	41.9	$14.49	$14.47	$13.53
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	64,400	$602.36	$595.85	$587.16	37.0	36.6	36.2	$16.28	$16.28	$16.22
Wholesale and Retail Trade (does not include eating and drinking establishments)	273,000	$323.53	$326.72	$315.84	34.2	34.5	33.6	$9.46	$9.47	$9.40

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

9/1/87 58340-3

Washington
LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

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Highlights

Employment Gains Reduce Unemployment

Total employment in Washington State jumped 44,700 between May and June with sizable gains in both agriculture and nonfarm jobs. Most, but not all of the expansion was seasonal: employment after seasonal adjustment rose 7,800.

Total unemployment dropped from 168,600 and 7.6 percent of the labor force in May to 164,500 and 7.3 percent in June. As usual in June the decline in unemployment (4,100) was considerably less than the increase in employment because many of the new jobs were filled by new entrants to the labor force, especially youth out of high school or college for the summer, recent graduates and migrant farm workers. Nonetheless, the drop in unemployment was greater than seasonally expected, and after seasonal adjustment the rate fell from 7.8 to 7.6 percent. Moreover, the unadjusted rate was down six-tenths of a point over the year and at its lowest June level since 1979.

Harvest Season Underway

Agriculture accounted for a substantial portion of the new jobs with the cherry harvest joining the asparagus harvest in Eastern Washington and the strawberry and raspberry harvests providing temporary jobs west of the Cascades. Other farm workers were busy hand thinning apples and pears, which was at times delayed because of a shortage of workers. Vegetable harvests on both sides of the states also provided numerous jobs in June.

	June 1987* (Prel.)	May 1987* (Rev.)	June 1986
Civilian Labor Force	2,266,900	2,226,300	2,227,800
Total Employment	2,102,400	2,057,700	2,051,400
Total Unemployment	164,500	168,600	176,400
State Unemployment Rate	7.3	7.6	7.9
National Civilian Unemployment Rate	6.3	6.1	7.3

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Nonfarm Payrolls up 18,000

Nonfarm payroll employment increased 18,000 between May and June despite seasonal losses in public and private education because of the end of the regular school year. Manufacturing was credited with 3,900 of the increase with the largest expansions in the aerospace and lumber industries. Aerospace stepped-up its expansion with an increase of 1,400 jobs in June. Employment in the industry has advanced 3,600 in the first half of this year. While less than the 4,600 increase in the first half of 1986, the gain was considerably more than forecast at the beginning of this year.

The lumber industry added 900 jobs in June to extend its seasonal expansion 3,600 above its January low. The increases in aerospace and lumber were augmented by smaller, mainly seasonal, growth in other industries including fabricated metals, machinery, food products and other transportation equipment. The gain in other transportation equipment mainly occurred in boatbuilding. Employment in the depressed segment of the industry remained unchanged.

Jobs In Trade Up As Schools Cut Staffing

In the nonmanufacturing industries, retail trade added 7,200 jobs to post the largest gain. Seasonal growth stimulated by expanding tourist business was noted at restaurants and other eating and drinking places, gasoline service stations, and sporting goods stores. Adding to these gains were temporary jobs at apparel and department stores featuring semi-annual sales. Wholesale houses boosted trade payrolls another 2,900 with most of the expansion at fruit packing warehouses which were handling a bumper cherry crop.

Public Schools Begin Summer Layoffs

Construction employment moved up another 3,400 in June as its seasonal expansion continued. Public education, however, fell 3,600 as schools began laying off bus drivers, cafeteria workers and other noncertified staff for the summer. The decline in education in July will be considerably greater than in June as the full impact of the temporary reduction is reflected in the data. Teachers and other certificated staff, who have contracts to return to their jobs in September, however, will still be counted as employed since they are paid on a 12-month basis.

The loss in state and local government resulting from the drop in education in June was limited to 1,200 because of offsetting gains in park, playground and other outdoor government payrolls. Summer work-experience programs for disadvantaged youth also started up in June to help reduce the seasonal cutback in government jobs.

Services Expanding Except Private Education

Summer layoffs at private schools and colleges more than offset growth in other service industries to temporarily reduce employment in services by 400. Aside from seasonal losses in private education and bowling, however, gains were widespread in services. The beginning of the summer tourist season saw expansions at hotels-motels and in automobile repair services. Agricultural services, including lawn care, continued to expand as did business services, especially at computer and data processing firms and temporary help agencies who were beginning to provide vacation-replacement workers. Meanwhile, health services continued its long term expansion.

In other nonmanufacturing industries, finance-insurance-real estate added 400, with seasonal increases in real estate and credit agencies other than banks accounting for most of the new jobs. Transportation-communications-utilities added

1,800 jobs; the most noteworthy expansions occurred at airlines, bus lines and travel agencies because of growing vacation travel. Motor freight also picked up with more farm-to-market business.

Year-to-Year Growth Up

Nonfarm wage and salary employment expanded its margin of growth over the year from 56,000 in May and 53,000-54,000 earlier in the year to nearly 59,000 in June. Recent hiring plans announced by The Boeing Company may boost growth even further later this year.

Manufacturing accounted for 8,600 of the new jobs over the year with 7,200, or over 80 percent, in aerospace. Lumber and wood products, the state's second largest manufacturing industry, added 500 jobs year to year but remained well below employment levels of the late 1970's. The 40,000 workers employed in the lumber industry this June was 17,100, or 30 percent, below the 57,100 employed in June 1979. Despite the drop in the number of workers, lumber production is no lower this year, but productivity is considerably greater.

A number of other manufacturing industries have recorded small, but cumulatively important, job additions over the year including apparel, paper, printing, fabricated metals and chemicals. Other transportation equipment was up 400 year to year, but the gain masks a loss of over 1,000 in shipbuilding which was offset by growth in boatbuilding and other segments of the industry.

Retail Trade Leads Growth

As is the case nationally, employment expansions continue to be concentrated in the trade and service industries. This trend will likely continue with increasing productivity limiting growth in manufacturing jobs. Retail trade added 16,800 jobs year-to-year to lead the expansion in Washington State. Restaurants and other eating-drinking places added 6,600 jobs to account for 39 percent of the new jobs. The growth in restaurant employment largely reflects the rising proportion of the population in the 25-40 age which results from the maturing of the baby boom generation. Individuals in this age group are more likely to eat out than others. Most are employed full time and many live in two-wage earner families.

Sizable gains were also reported in other retail trade industries over the year. Food stores added nearly 4,000 jobs because of expanded product lines and extended operating hours at larger stores. Hardware, department and drug stores also posted healthy job growth over the year.

Elderly and Individuals With Addictions Boost Health Care Employment

Services closely followed retail trade in job gains with a year-to-year addition of 15,700. Medical Services added 4,500 workers alone with increased demand from a growing elderly population and from persons with addictions to tobacco, alcohol or drugs. Intervention services to individuals with various addictions may be the nation's latest growth industry.

In other nonmanufacturing industries, construction moved up 4,800 over the year despite higher mortgage rates. Government civilian employment rose 3,500 with most of the expansion on the federal level. Transportation-communications-utilities added 3,300 jobs, mainly at airlines where low rates have boosted business and in trucking because of the general upturn in business activity. Employment in communications, however, dropped over the year with telephone companies cutting expenses. Finance-insurance-real estate jobs were up 1,700 from June 1986, but growth in insurance and real estate had to offset a drop in banking where mergers and cost-cutting measures have pared employment approximately 900.

AREA DEVELOPMENTS

Lumber Areas and Eastern Washington Enjoy Largest Drop In Unemployment

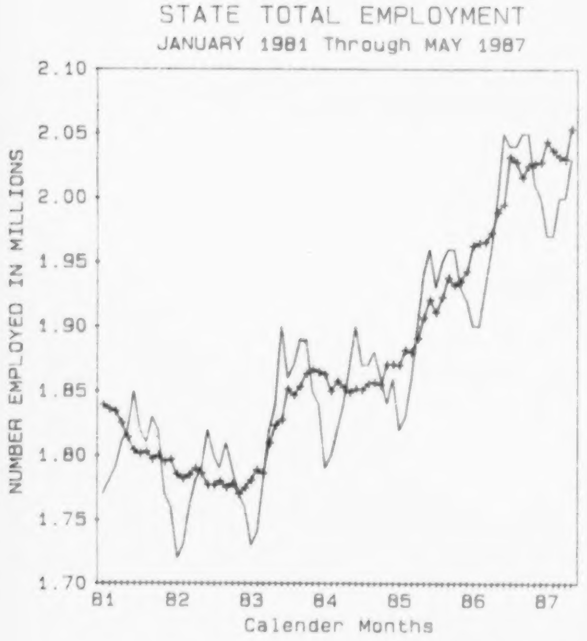
Unemployment declined in most counties of the state between May and June because of expanding employment opportunities, but the largest reductions were in counties highly dependent on the lumber industry and in Eastern Washington where most of the new agricultural jobs occurred.

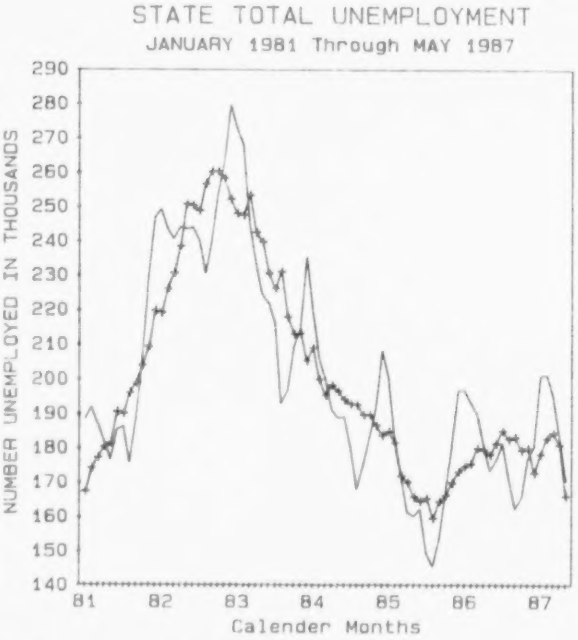
While the statewide jobless rate edged down from 7.6 to 7.3 percent over the month, the rate in the 14 counties whose economies largely depend on the lumber industry fell from 11.0 to 9.9 percent. Typical of these counties were Cowlitz, Grays Harbor and Pacific. The rate in Cowlitz County fell from 9.7 to 8.6 over the month; Grays Harbor saw its rate drop from 11.1 to 9.7, while Pacific County's rate slid from 9.7 to 8.5 percent.

The overall rate east of the Cascades dropped nearly one point over the month, from 9.3 to 8.4 percent, compared with a two-tenths point decline, from 7.1 to 6.9 percent, for west side counties. Representative eastern areas were Yakima County, the Wenatchee area (Chelan and Douglas counties), and Grant County. In Yakima County the cherry harvest overlapped the asparagus harvest in June boosting total employment from 80,300 to 90,000. The jobless rate as a result fell from 11.1 to 8.9 percent. The cherry and asparagus harvests were also underway in Grant County, and its rate dropped from 12.5 to 9.5 percent. Farm workers in the Wenatchee area were busy thinning apples and pears as well as harvesting cherries which reduced that area's jobless rate from 11.9 to 10.2 percent between May and June.

Seattle's Unemployment Rate Unchanged at 6.1 Percent

In contrast to the sharp decline in unemployment in lumber and agricultural areas in June, the unemployment rate in the Seattle Metropolitan Area remained unchanged over the month at 6.1 percent. Expanding job opportunities in the Seattle area were matched by growth in the labor force, mainly vacationing school age youth and recent graduates. Nonetheless, Seattle's June rate was well below the state rate and slightly below the national rate. Moreover, the Seattle Metropolitan Area has accounted for two-thirds of the state's new jobs over the year.





+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

MANUFACTURING INDUSTRIES

Boeing to Add 3,000-4,000 Jobs

The major recent development which will affect the state's economy over the next several months was Boeing's announcement that they would add 3,000 to 4,000 jobs to their workforce nationally in the last half of this year. Mostly the new jobs will be in the Seattle area. In the first half of 1987, aerospace employment rose 3,600. Boeing, of course, accounts for a preponderance of the industry's employment.

The job growth in aerospace and Boeing's announced expansion were unexpected at the beginning of this year when Boeing forecast stable employment for the first six months, but Boeing did not anticipate increased airplane orders. And orders continue to roll in.

$1.7 Billion Order For Jets

In late July, Taiwan agreed to buy $1.7 billion worth of commerical jets from The Boeing Company. The order was Boeing's third for $1 billion for or over this year. The other two were a $2.1 billion order for 36 planes from United Airlines and a $2 billion order for 16 jets from Air France. A Taiwan trade delegation noted that there was an ongoing effort to "buy American" to reduce Taiwan's trade surplus with the United States in order to avoid protectionst legislation by Congress. Taiwan's trade surplus with the U.S. was about $13.6 billion in 1986.

Boeing Wins $244 Million Navy Contract

Boeing entered Navy anti-submarine warfare work when it was awarded a $244 million contract for engineering and development work to upgrade the electronics for submarine detection planes. Boeing said the contract will result in 400 new jobs in the Seattle area in the next year and a half. The contract includes Navy options for $803 million of later work beginning in three years to install modernized computer and electronic systems on the submarine detection planes.

The contract also places Boeing in a good position to bid on the next generation of submarine hunting planes. Boeing is considering the use of its 757 jetliner for the replacement. A contract for the replacement planes would be worth billions of dollars and might be awarded as soon as a year and a half from now.

Aluminum Job Outlook Brightens

After several years of cutbacks and plant closures, the outlook for the state's aluminum industry has turned up. Vanalco Inc. reopened the former ALCOA Vancouver aluminum plant in the last week of June with an initial workforce of 200 and eventually expects to employ 400 to 500 workers. Columbia Aluminum signed a sales contract to purchase the Commonwealth Aluminum plant in Goldendale in July. When Commonwealth closed the smelter in February, it employed 450 workers. The closure of the plant had a devasting impact on the area where the only major industry other than the aluminum plant is lumber. Lumber industry employment has been reduced by automation. In June 1986 with the smelter operating, employment in Klickitat County totaled 7,280, while 1,040 residents were jobless and the unemployment rate was 12.5 percent. In June 1987 with the plant closed, employment totaled 6,400 (880 less) with 1,500 jobless (460 more), and the unemployment rate at 19 percent was the highest in the state.

Kaiser Hires 60 at Mead

In addition to the reopening of the Vancouver smelter and the expected reopening of the Goldendale smelter, Kaiser Aluminum Company announced that it was hiring 60 workers at its Mead smelter. A spokesman for Kaiser said the new workers are being hired for work related to modernization and the restart of some cells to smelt alumina into aluminum. Call backs of previously laid off workers were not sufficient to fill the openings.

Construction of New Paper Mill to Start This Fall

Great Lakes Forest Products, Ltd., a Canadian firm, announced in July that it would begin construction of a $300 million newsprint mill near Usk this fall. Usk is about 50 miles north of Spokane in Pend Oreille County. The mill is expected to be completed before the end of 1989. An average of 600 construction workers will be employed during the two-year construction period. The mill will employ 140 full-time permanent workers. A company spokesman said the location was selected because of the availability of wood chips from nearby mills and low electricity rates. The mill will also benefit local sawmills by providing them a stable market for their chips.

Lockheed Shipyard Up For Sale

Lockheed Corporation put its Seattle shipyard up for sale in July. A spokesman for the firm said shipbuilding and repair was a declining industry and that labor costs in Seattle were too high. The firm has been involved in a labor dispute since November 1986.

Troubles which have plagued the state's shipyards are global in scope. Worldwide construction of new ships is at an all-time low. An estimated 30 percent overcapacity exists in the world's merchant fleet. U.S. commercial ship construction in 1986 was at its lowest level since pre-World War II. U.S. shipyards are at a disadvantage in obtaining contracts for new ships because of higher wage rates than in shipyards in other nations, while Washington State shipyards have difficulty competing with other U.S. shipyards because of lower wages on the Gulf and East coasts.

NONMANUFACTURING INDUSTRIES

Housing Starts Down Again Outlook Clouded

National housing starts declined in June for the fourth consecutive month to their lowest level since August 1984. At a seasonally adjusted 1.59 million units, starts were down 14 percent from June 1986. Analysts blame the decline on rising mortgage rates. Fixed-rate mortgages rose from a nine-year low of nine percent in late March to nearly 11 percent by mid-May. Analysts also cite the rising price of new homes for the decline in starts this year. Nationally, the median price of a new home in May was $106,800, up 16 percent over the year following a 15 percent jump in the previous year. Some analysts, however, expect home building to improve in subsequent months.

Mortgage rates have declined slightly since mid-May and building permits, an indicator of future building activity, rose 1.4 percent in June. An economist for the National Association of Home Builders, however, noted that there are fewer first-time home buyers because of changing demographics.

Consumer Spending Up in June But Only Moderate Growth Expected

Consumer spending rose 0.7 percent in June led by a surge in auto sales following a decline of 0.1 percent in May, according to the U.S. Department of Commerce. Many economists, however, continue to expect only moderate growth in consumer spending this year because of slow growth in personal income and high consumer debt. Personal income rose only 0.4 percent in June, but disposable income (personal income after taxes) fell 0.1 percent. Moreover, adjustments for inflation would reflect an ever larger drop in effective purchasing power.

Retail sales rose 0.4 percent in June and have increased at an annual rate of only two percent since February. Consumer prices, however, have been rising considerably faster, meaning that the volume of goods sold has actually declined. Consumers are now paying off debts rather than running up more bills. Installment credit outstanding was down $600 million in May, the first decline since the 1981-82 recession.

75 Satsop Workers Terminated

About 75 workers at the mothballed Satsop Nuclear Power Plant in Grays Harbor County were laid off in June, reducing the workforce at Satsop to 110. At one time over 5,000 workers were employed building two nuclear plants at the site. Work on one plant was abandoned five years ago. The other plant was 76 percent complete when it was mothballed four years ago.

Next year the workforce at Satsop will be cut to 51. A spokesman for Washington Public Power Supply System said that was about as low as they can go and still preserve the plant. So far $2.4 billion has been spent on the plant, and it would cost about $1.6 billion to complete it. With the current surplus of electric power, however, there is little incentive to do so.

NATIONAL CONTEXT

GNP Up 2.6 Percent

The nation's Gross National Product (GNP), an inflation adjusted measure of the output of goods and services, rose at a 2.6 percent annual rate in the second quarter. The advance was below the 4.4 percent increase in the first quarter but was better than most economists had expected. Moreover, slower growth in the second quarter was more than accounted for by a decline in inventory accumulation, mainly in the auto industry. A sizable inventory buildup in the first quarter had caused many analysts to anticipate only a small gain in the second quarter. A decline in the foreign trade deficit contributed strongly to the growth in the second quarter. Other sectors of the economy contributing to the expansion were domestic demand, business fixed investment, and government purchases. Residential investment, however, slipped slightly because of the increase in mortgage rates.

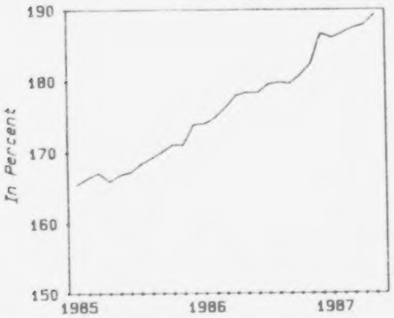
Trade Deficit Declining

The nation's trade deficit narrowed in the second quarter for the third consecutive time and has accounted for 40 percent of the economy's growth in the last three quarters. Rising exports accounted for most of the turnaround. As a result, factory orders have been increasing. Excluding military business, orders have grown at a ten percent annual rate since the third quarter of 1986. Previously, factory orders had not grown in almost three years.

Leading Indicators Up Again

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose a strong 0.8 percent in June for its fifth consecutive monthly gain. Most national economists responded to the latest release optimistically with such comments as "The rise is a strong indication that the economy is set on a sustainable growth;" "Unmistakably, it is signaling economic expansion;" "We should see real growth ahead."

INDEX OF LEADING ECONOMIC INDICATORS
National Monthly Average 1985-Current
(1967=100)



Leading indicators contributing to the increase in the index in June were strong gains in sensitive material prices, which suggests growing demand, and stock market prices. Smaller gains occurred in orders for consumer goods and building permits. On the negative side, the index for business deliveries declined, suggesting smaller order backlogs, and minor reductions were reported in plant and equipment orders and the money supply. Initial unemployment claims rose slightly. Data on business inventories and credit outstanding were not available for computing the preliminary estimate of the Index of Leading Economic Indicators for June.

CONSUMER PRICE INDEX*

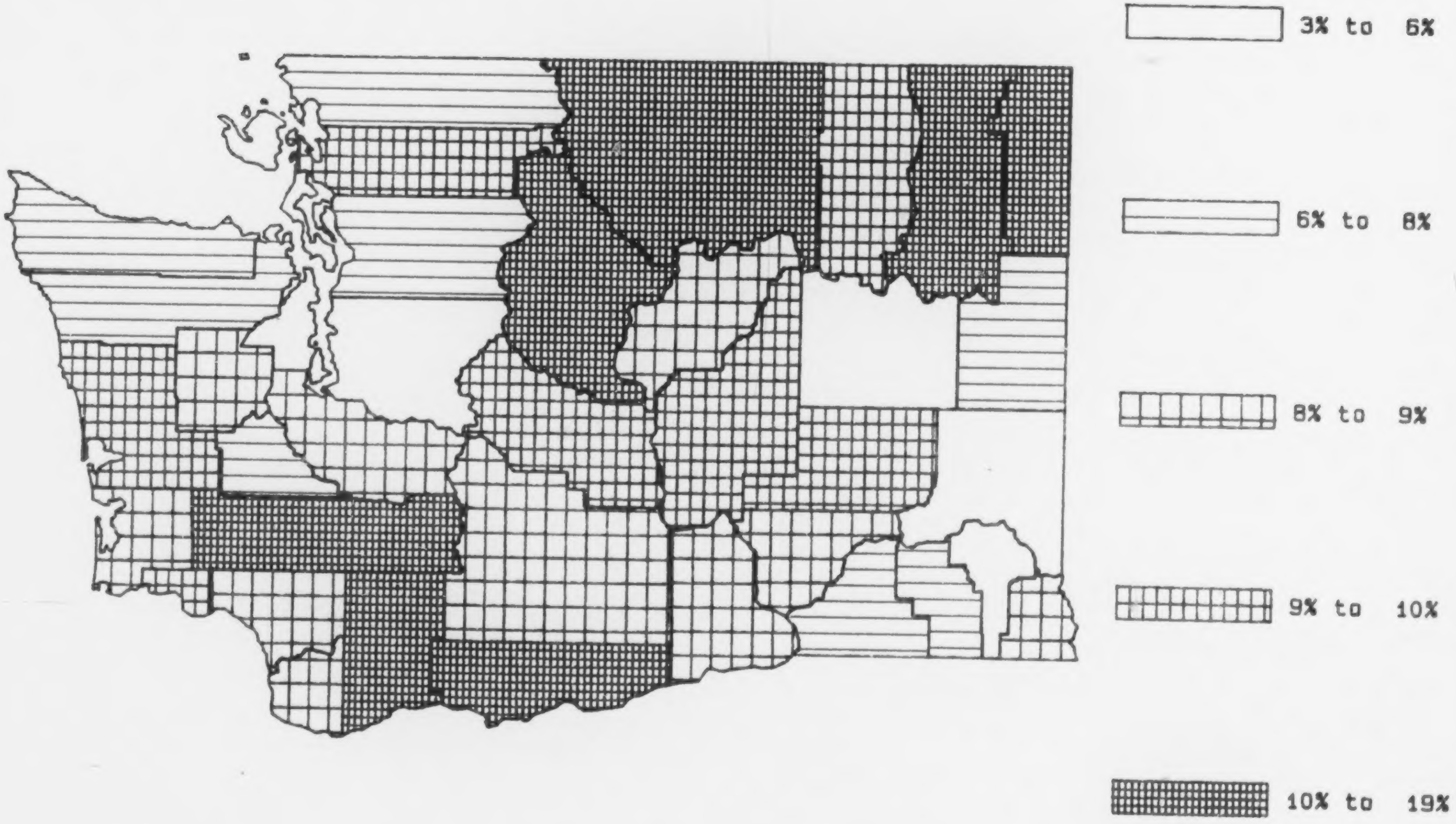
(All Items, Urban Consumers, 1967=100)

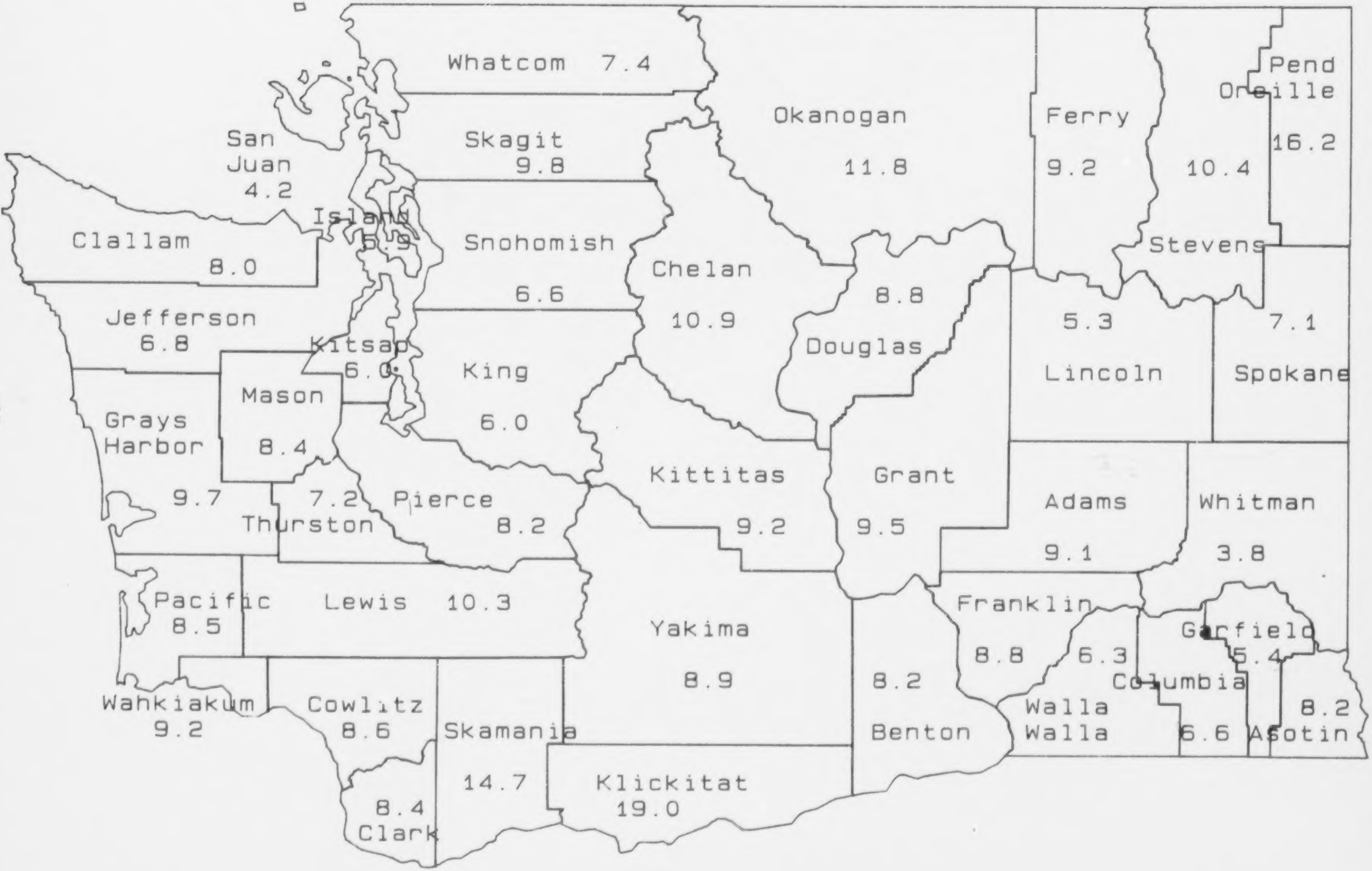
	INDEXES			PERCENT CHANGE Year Ending	
	June 1987	May 1987	June 1986	June 1987	May 1987
U.S. City Average	340.1	338.7	327.9	3.7	3.8

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index covering the first half of 1987 will be released in August. The index for Seattle will reflect prices in King, Pierce and Snohomish counties.

JUNE UNEMPLOYMENT RATES

State of Washington 7.3


3% to 6%
6% to 8%
8% to 9%
9% to 10%
10% to 19%


Whatcom 7.4
Okanogan 11.8
Ferry 9.2
10.4
Pend Oreille 16.2
San Juan 4.2
Skagit 9.8
Island 5.9
Clallam 8.0
Snohomish 6.6
Chelan 10.9
Stevens
8.8
5.3
7.1
Jefferson 6.8
Kitsap 6.0
Douglas
Lincoln
Spokane
Mason 8.4
King 6.0
Grays Harbor 9.7
Kittitas 9.2
Grant 9.5
Adams 9.1
Whitman 3.8
7.2 Thurston
Pierce 8.2
Pacific 8.5
Lewis 10.3
Yakima 8.9
Franklin 8.8
6.3
Garfield 5.4
Columbia 6.6
8.2 Benton
Walla Walla
8.2 Asotin
Wahkiakum 9.2
Cowlitz 8.6
Skamania 14.7
Klickitat 19.0
8.4 Clark

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

NOT SEASONALLY ADJUSTED Industry	(In Thousands) Jun. 1987 (Prel.)	May 1987 (Rev.)	Jun. 1986 (Rev.)	May 1986 (Rev.)	Numerical Change May 87 to Jun. 87	Jun. 86 to Jun. 87
TOTAL NONAG. WAGE AND SALARY....	1849.0	1831.0	1790.1	1775.0	18.0	58.9
MANUFACTURING.................	314.1	310.2	305.5	305.3	3.9	8.6
Durable Goods...............	220.1	217.1	213.5	213.8	3.0	6.6
Lumber & Wood Products.....	40.0	39.1	39.5	38.7	0.9	0.5
Furniture & Fixtures.......	4.0	4.0	3.8	3.8	0.0	0.2
Stone, Clay & Glass........	6.4	6.3	6.5	6.3	0.1	-0.1
Primary Metals.............	11.1	11.1	11.1 4/	12.3	0.0	0.0
Aluminum.................	7.2	7.2	7.0 4/	8.1	0.0	0.2
Fabricated Metals..........	10.3	10.1	9.9	9.9	0.2	0.4
Machinery..................	28.4	28.2	30.3	31.1	0.2	-1.9
Machinery (Exc. Elec.)...	16.2	16.1	17.8	18.6	0.1	-1.6
Electrical Equip.........	12.2	12.1	12.5	12.5	0.1	-0.3
Transportation Equip.......	104.9	103.3	97.3	96.7	1.6	7.6
Aerospace................	91.8	90.4	84.6	83.9	1.4	7.2
Other Transp. Equip......	13.1 4/	12.9 4/	12.7	12.8	0.2	0.4
Instruments & Related......	10.2	10.2	10.6	10.5	0.0	-0.4
Misc. Manufacturing........	4.8	4.8	4.5	4.5	0.0	0.3
Nondurable Goods............	94.0	93.1	92.0	91.5	0.9	2.0
Food & Kindred Products....	30.7	30.4	30.6	30.8	0.3	0.1
Canned & Preserved Foods.	10.9	11.0	11.1	11.3	-0.1	-0.2
Apparel & Allied Products..	6.2	6.1	5.8	5.7	0.1	0.4
Paper & Allied Products....	17.5	17.3	17.1	16.7	0.2	0.4
Printing & Publishing......	19.3	19.2	18.8	18.7	0.1	0.5
Chemicals & Allied Products	11.9	11.8	11.6	11.5	0.1	0.3
Other Nondurable Goods 3/..	8.4	8.3	8.1	8.1	0.1	0.3
MINING & QUARRYING	3.0	3.0	3.0	3.0	0.0	0.0
CONSTRUCTION..................	92.9	89.5	88.1 4/	85.6	3.4	4.8
TRANSP.,COMM. & UTIL..........	99.6 4/	97.8 4/	96.3 4/	95.1	1.8	3.3
WHOLESALE & RETAIL TRADE.......	461.7	451.6	440.4	433.2	10.1	21.3
Wholesale Trade............	112.6	109.7	108.1 4/	106.4	2.9	4.5
Retail Trade...............	349.1	341.9	332.3	326.8	7.2	16.8
FIN. INS. & REAL ESTATE........	107.9	107.5	106.2	105.3	0.4	1.7
SERVICES......................	410.3	410.7	394.6	393.9	-0.4	15.7
Health Services............	126.8	126.3	122.3	121.2	0.5	4.5
GOVERNMENT....................	359.5	360.7	356.0	353.6	-1.2	3.5
Federal....................	72.3	72.3	69.6	69.2	0.0	2.7
State & Local..............	287.2	288.4	286.4	284.4	-1.2	0.8
Education................	151.0	154.6	149.9	153.8	-3.6	1.1
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	0.7	1.1	2.3	0.0	-0.4	-1.6

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 8/4/87
Benchmark: 1986

(Not Seasonally Adjusted)

	JUNE 1987 PRELIMINARY 1/				MAY 1987 REVISED 1/				JUNE 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,266,900	2,102,400	164,500	7.3	2,226,300	2,057,700	168,600	7.6	2,227,800	2,051,400	176,400	7.9
Bellingham MSA	58,100	53,800	4,300	7.4	57,000	52,400	4,600	8.1	56,400	51,400	5,000	8.9
Bremerton MSA	71,200	66,900	4,300	6.0	70,900	66,500	4,400	6.2	70,300	65,800	4,500	6.4
Olympia MSA	73,600	68,300	5,300	7.2	72,800	67,600	5,200	7.1	72,300	66,500	5,800	8.0
Seattle PMSA	990,700	930,400	60,300	6.1	984,000	924,200	59,800	6.1	959,200	896,600	62,600	6.5
King County 2/	789,500	742,500	47,000	6.0	783,900	737,600	46,300	5.9	763,400	715,600	47,800	6.3
Snohomish County 2/	201,200	187,900	13,300	6.6	200,200	186,700	13,500	6.7	195,900	181,100	14,800	7.6
Spokane MSA	165,900	154,100	11,800	7.1	165,100	152,900	12,200	7.4	164,300	151,700	12,600	7.7
Tacoma PMSA	238,700	219,200	19,500	8.2	235,600	215,600	20,000	8.5	230,400	211,800	18,600	8.1
Tri-Cities MSA	78,800	72,200	6,600	8.4	71,800	65,300	6,500	9.1	80,900	73,400	7,500	9.3
Benton County 2/	60,700	55,700	5,000	8.2	55,200	50,300	4,900	8.9	62,200	56,600	5,600	9.0
Franklin County 2/	18,100	16,500	1,600	8.8	16,500	14,900	1,600	9.7	18,700	16,800	1,900	10.2
Vancouver PMSA	107,900	98,800	9,100	8.4	106,400	97,800	8,600	8.1	106,200	96,500	9,700	9.1
Yakima MSA	98,800	90,000	8,800	8.9	90,300	80,300	10,000	11.1	102,200	90,700	11,500	11.3
Adams	7,040	6,400	640	9.1	6,960	6,310	650	9.3	7,270	6,480	790	10.9
Asotin	8,880	8,150	730	8.2	8,850	8,130	720	8.1	8,220	7,570	650	7.9
Clallam	23,380	21,510	1,870	8.0	22,640	20,610	2,030	9.0	22,140	20,250	1,890	8.5
Columbia	3,170	2,960	210	6.6	3,490	3,260	230	6.6	2,330	2,060	270	11.6
Cowlitz	34,280	31,320	2,960	8.6	34,020	30,710	3,310	9.7	35,400	31,330	4,070	11.5
Ferry	2,600	2,360	240	9.2	2,530	2,270	260	10.3	2,650	2,310	340	12.8
Garfield	1,110	1,050	60	5.4	1,120	1,040	80	7.1	1,210	1,120	90	7.4
Grant	28,370	25,680	2,690	9.5	25,270	22,100	3,170	12.5	28,410	25,910	2,500	8.8
Grays Harbor	26,100	23,570	2,530	9.7	25,950	23,080	2,870	11.1	26,630	23,620	3,010	11.3
Island	17,720	16,680	1,040	5.9	17,400	16,310	1,090	6.3	17,800	16,700	1,100	6.2
Jefferson	8,290	7,730	560	6.8	7,960	7,410	550	6.9	7,780	7,210	570	7.3
Kittitas	11,790	10,710	1,080	9.2	11,330	10,130	1,200	10.6	12,000	10,870	1,130	9.4
Klickitat	7,900	6,400	1,500	19.0	7,850	6,040	1,810	23.1	8,320	7,280	1,040	12.5
Lewis	24,750	22,190	2,560	10.3	24,570	22,010	2,560	10.4	24,630	21,900	2,730	11.1
Lincoln	4,880	4,620	260	5.3	4,760	4,470	290	6.1	4,980	4,720	260	5.2
Mason	12,720	11,650	1,070	8.4	12,240	11,150	1,090	8.9	12,790	11,640	1,150	9.0
Okanogan	15,350	13,540	1,810	11.8	14,370	12,550	1,820	12.7	15,610	13,340	2,270	14.5
Pacific	6,930	6,340	590	8.5	6,720	6,070	650	9.7	7,050	6,340	710	10.1
Pend Oreille	3,030	2,540	490	16.2	2,900	2,420	480	16.6	3,720	3,220	500	13.4
San Juan	5,210	4,990	220	4.2	4,560	4,300	260	5.7	5,040	4,810	230	4.6
Skagit	32,980	29,760	3,220	9.8	31,510	27,870	3,640	11.6	32,500	28,940	3,560	11.0
Skamania	2,580	2,200	380	14.7	2,560	2,170	390	15.2	2,400	2,060	340	14.2
Stevens	11,240	10,070	1,170	10.4	10,970	9,680	1,290	11.8	11,350	9,950	1,400	12.3
Wahkiakum	1,200	1,090	110	9.2	1,140	1,030	110	9.6	1,260	1,130	130	10.3
Walla Walla	24,080	22,570	1,510	6.3	24,680	23,010	1,670	6.8	25,560	23,710	1,850	7.2
Wenatchee Labor Area	40,020	35,930	4,090	10.2	37,120	32,690	4,430	11.9	40,990	35,680	5,310	13.0
Chelan County 2/	27,260	24,280	2,980	10.9	25,310	22,090	3,220	12.7	27,920	24,110	3,810	13.6
Douglas County 2/	12,770	11,650	1,120	8.8	11,810	10,600	1,210	10.2	13,070	11,570	1,500	11.5
Whitman	17,470	16,810	660	3.8	19,010	18,290	720	3.8	17,650	16,940	710	4.0

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

August 4, 1987
Benchmark: 1986

	JUNE 1987 PRELIMINARY 1/				MAY 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,246,700	2,083,000	163,700	7.3	2,207,500	2,036,300	171,200	7.8
Bellingham MSA	57,600	53,300	4,300	7.5	56,600	51,900	4,700	8.3
Bremerton MSA	70,600	66,300	4,300	6.1	70,200	65,800	4,400	6.3
Olympia MSA	72,900	67,600	5,300	7.3	72,200	66,900	5,300	7.3
Seattle PMSA	981,800	921,800	60,000	6.1	975,300	914,600	60,700	6.2
King County 2/	782,400	735,600	46,800	6.0	776,900	729,900	47,000	6.0
Snohomish County 2/	199,400	186,200	13,200	6.6	198,400	184,700	13,700	6.9
Spokane MSA	164,400	152,600	11,800	7.2	163,700	151,300	12,400	7.6
Tacoma MSA	236,600	217,200	19,400	8.2	233,700	213,400	20,300	8.7
Tri-Cities MSA	78,100	71,500	6,600	8.5	71,200	64,600	6,600	9.3
Benton County 2/	60,200	55,200	5,000	8.3	54,800	49,800	5,000	9.1
Franklin County 2/	18,000	16,400	1,600	8.9	16,500	14,800	1,700	10.3
Vancouver PMSA	107,000	97,900	9,100	8.5	105,500	96,800	8,700	8.2
Yakima MSA	97,900	89,100	8,800	9.0	89,600	79,400	10,200	11.4
Adams	6,980	6,340	640	9.2	6,910	6,250	660	9.6
Asotin	8,800	8,070	730	8.3	8,770	8,040	730	8.3
Clallam	23,170	21,310	1,860	8.0	22,460	20,400	2,060	9.2
Columbia	3,140	2,930	210	6.7	3,450	3,220	230	6.7
Cowlitz	33,980	31,030	2,950	8.7	33,750	30,390	3,360	10.0
Ferry	2,580	2,340	240	9.3	2,510	2,250	260	10.4
Garfield	1,100	1,040	60	5.5	1,110	1,030	80	7.2
Grant	28,110	25,440	2,670	9.5	25,080	21,870	3,210	12.8
Grays Harbor	25,870	23,350	2,520	9.7	25,760	22,840	2,920	11.3
Island	17,550	16,520	1,030	5.9	17,240	16,140	1,100	6.4
Jefferson	8,220	7,660	560	6.8	7,890	7,330	560	7.1
Kittitas	11,690	10,610	1,080	9.2	11,240	10,030	1,210	10.8
Klickitat	7,840	6,340	1,500	19.1	7,820	5,980	1,840	23.5
Lewis	24,540	21,990	2,550	10.4	24,380	21,790	2,590	10.6
Lincoln	4,840	4,580	260	5.4	4,710	4,420	290	6.2
Mason	12,610	11,540	1,070	8.5	12,150	11,040	1,110	9.1
Okanogan	15,210	13,410	1,800	11.8	14,260	12,410	1,850	13.0
Pacific	6,860	6,280	580	8.5	6,660	6,000	660	9.9
Pend Oreille	3,000	2,510	490	16.3	2,880	2,390	490	17.0
San Juan	5,160	4,940	220	4.3	4,520	4,250	270	6.0
Skagit	32,690	29,480	3,210	9.8	31,280	27,580	3,700	11.8
Skamania	2,560	2,180	380	14.8	2,540	2,150	390	15.4
Stevens	11,140	9,970	1,170	10.5	10,890	9,580	1,310	12.0
Wahkiakum	1,190	1,080	110	9.2	1,130	1,020	110	9.7
Walla Walla	23,860	22,360	1,500	6.3	24,460	22,770	1,690	6.9
Wenatchee Labor Area	39,660	35,590	4,070	10.3	36,850	32,350	4,500	12.2
Chelan County 2/	27,010	24,050	2,960	11.0	25,130	21,860	3,270	13.0
Douglas County 2/	12,650	11,540	1,110	8.8	11,720	10,490	1,230	10.5
Whitman	17,300	16,650	650	3.8	18,830	18,100	730	3.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim JUN Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		June-87	May-87	June-86	June-86	May-87	June-86	June-87	May-87	June-86
TOTAL MANUFACTURING INDUSTRIES*	187.800	$479.18	$476.01	$466.89	40.2	39.9	39.4	$11.92	$11.93	$11.85
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,900	$432.30	$417.91	$416.00	39.3	38.2	36.3	$11.00	$10.94	$11.46
Primary Metal Industries	8,800	$534.06	$551.25	$526.68	43.0	44.1	41.9	$12.42	$12.50	$12.57
Fabricated Metal Products	7,900	$440.27	$439.22	$451.39	39.1	38.8	39.7	$11.26	$11.32	$11.37
Machinery	17,000	$384.96	$380.24	$381.39	40.1	39.2	39.4	$9.60	$9.70	$9.68
Food and Kindred Products	22,100	$377.13	$377.50	$359.28	39.0	39.2	37.7	$9.67	$9.63	$9.53
Chemical and Allied Products	5,400	$613.87	$617.46	$583.02	42.6	43.3	41.0	$14.41	$14.26	$14.22
Transportation Equipment	42,700	** $613.17	** $606.29	$574.86	42.2	41.9	42.3	$14.53	$14.47	$13.59
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	68,300	$619.03	$599.99	$582.40	37.7	36.9	36.4	$16.42	$16.26	$16.00
Wholesale and Retail Trade (does not include eating and drinking establishments)	281,700	$318.06	$324.56	$322.16	33.8	34.2	34.2	$9.41	$9.49	$9.42

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
KG-11
Olympia WA 98504-5311

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BETHESDA MD 20814

9/25/87 S8340-3

Washington
LABOR MARKET

August 1987

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

Highlights

Employment and Unemployment Both Lower

Total unemployment in Washington State fell from 165,700 and 7.3 percent of the labor force in June to 159,200 and 7.1 percent in July. The decline was more than usual for this time of year, and the seasonally adjusted rate dropped from 7.7 to 7.3 percent. July's adjusted rate was the lowest since early 1980. Unemployment was also down sharply over the year, falling 22,300 in the past 12 months. The adjusted jobless rate was 8.3 percent in July 1986, a full point above this July's rate.

Harvest Activity Slows, School Year Over

Despite the drop in unemployment, employment fell 26,400 in July because of the completion of the asparagus harvest, the near completion of the cherry and strawberry harvests, and the temporary layoff of thousands of noncertificated public school employees for the summer. Most of these individuals, including many youth and migrant farmworkers, did not immediately seek new jobs within the state, and, therefore, were not counted as unemployed. Meanwhile, new job

Volume 11, Number 8

openings in the lumber, aerospace, construction, and trade and service industries reduced the unemployment total. Moreover, the drop in employment in July while large was actually less than normal. After seasonal adjustment, total employment rose 14,500 between June and July.

	July 1987* (Prel.)	June 1987* (Rev.)	July 1986
Civilian Labor Force	2,239,900	2,272,800	2,230,600
Total Employment	2,080,700	2,107,100	2,049,100
Total Unemployment	159,200	165,700	181,500
State Unemployment Rate	7.1	7.3	8.1
National Civilian Unemployment Rate	6.1	6.3	7.0

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Nonfarm Jobs Down 15,900 Due to Layoffs at Schools

Nonagricultural wage and salary employment fell 15,900 in July as summer layoffs in public education (down 30,500) offset gains in other industries, including manufacturing which rose 1,700. The expansion in manufacturing was led by a gain of 900 in aerospace. In the first seven months of this year the industry has added 4,500 jobs. With employment at 92,700, aerospace now accounts for nearly three out of every ten manufacturing jobs in the state.

Other gains in manufacturing included a seasonal increase of 700 in lumber, 300 in aluminum thanks to the reopening of the ALCOA aluminum plant in Vancouver by a new firm, and gains of 200 each in apparel, stone-clay-glass products and other nondurable goods. The increase in stone-clay-glass products was seasonal and resulted from increased demand from the construction industry. Growth in plastics manufacturing accounted for most of the gain in other nondurables.

Partially offsetting these gains were losses at canneries and in shipbuilding. Employment at canneries fell 1,300 in July because of the completion of asparagus processing. Payrolls in the industry, however, will begin expanding again in August as processing begins on late summer crops. "Other transportation equipment" employment fell 400 over the month as payrolls at private shipyards continued to contract.

Tourist Business Strong

With the exception of education, most nonmanufacturing industries also expanded between June and July. County fairs, summer camps, and growing tourist activity boosted job totals at restaurants, gasoline stations, hotels, motels, resorts, retail shops, and in amusements (golf, amusement parks, carnivals, etc.) which increased employment 3,400 in retail trade and 1,000 in services. Growth in services was also aided by expansions in data processing services, medical services and at personnel supply agencies. The latter added workers because of increased demand for vacation-replacement workers. Gains in services payrolls in July, however, were partially offset by summer cutbacks at private schools and colleges where employment fell nearly 2,000.

In other nonmanufacturing industries, construction added 2,300 workers in July as the building season began to approach its peak period of the year. Transportation-communications-utilities added another 600 in July. Most of the gain was in motor freight due to a normal seasonal upturn in business activity, but air transportation added over 100 because of more tourist business. Finance-insurance-real estate payrolls moved ahead 500 with real estate sales advancing seasonally and the need to hire vacation-replacement workers in financial and insurance offices.

Wholesale trade was the only nonmanufacturing industry besides public education to post a loss in July. Employment at wholesale houses dropped 600, but the loss occurred almost entirely because of the completion of packing and shipping of fresh asparagus for this year and the near completion of work on the 1987 cherry crop.

Summer Workers Added
By Government Too

Government civilian payrolls fell 24,800 between June and July because of the drop in public education (down 30,500). Part of the loss resulting from the end of the regular school year, however, was offset by seasonal hiring at parks, playgrounds, and by the Forest Service. Work-experience jobs for disadvantaged youth also expanded over the month.

Nonfarm Jobs Up
3.6 Percent
Over the Year

Nonagricultural wage and salary employment continued to maintain a substantial gain over year-ago levels. In July nonfarm employment was up 3.6 percent or 63,100 over the year. The comparable national increase was

2.5 percent. Manufacturing accounted for 13,200 of the new jobs in the state with 6,800 of the increase in aerospace. Employment in the lumber industry rose 3,800 year to year for the next largest gain, but 3,100 of the increase was due to a labor dispute in July 1986. Printing-publishing was up 700 as strong general business conditions boosted advertising revenues. Other nondurable goods payrolls were 600 ahead of last year's level largely because of expansions in plastic manufacturing. Industries with smaller gains included furniture, aluminum, fabricated metals, apparel, and chemicals. "Other transportation equipment" added 400 year to year, but the gain masks a substantial loss in shipbuilding which was more than offset by other segments of the industry such as boatbuilding and truck and trailer manufacturing.

Relatively few industries reported lower employment than one year ago. Nonelectrical machinery payrolls were down 400; there was still some employment at firms manufacturing oil field equipment in July last year but none this year. Electrical equipment (down 300) and instruments (down 300) had lower employment because of softness in the computer and high-tech areas.

Trade and Services Lead Expansion

Retail trade and services continued to lead the employment expansion in both the state and nation. In Washington State, retail trade added 25,200 jobs over the year. All segments of the industry expanded from building material outlets to service stations. Restaurants, however, added over 7,800 jobs to account for 37 percent of the increase. Higher overall employment, lower unemployment and continued growth in the number of two wage earner families played the major role in the expansion at restaurants.

Employment in the services industries rose 15,700 over the year. About 5,800, or 37 percent, of the new jobs were in business services as contracting out is becoming more common. Health services added 5,100 workers year-to-year. With employment expanding more people are covered by medical plans, while growth in the number of elderly people also increases the demand for medical care.

Most other services industries also expanded over the year with two notable exceptions, membership sports-recreation clubs and motion pictures. The growing popularity of home movie rentals are the likely reason for the drop at theaters, while competition among sports and recreation clubs has lowered profits and forced reductions in staffing.

Construction Still Strong

Despite the effect of higher mortgage rates, construction employment managed to increase 5,100 over the year on the strength of gains in street and highway construction and commercial projects. The transportation-communication-utilities group added 3,300 employees year to year. Most of the gain was in trucking and air transportation. Telephone companies, however, have been cutting their workforce because competition has squeezed profits. Finance, insurance and real estate payrolls gained 2,100 over the year. Real estate, credit agencies (other than banking), and insurance shared in the expansion which is likely related to home sales. Mortgage rates may be up, but they are still considerably lower than in 1985 and earlier years of this decade.

Government Employment Drops From Last Year

Common beliefs regarding growth in government jobs aside, government civilian employment dropped 1,500 over the year. Most of the loss was on the local levels. Cutbacks in government youth work-experience programs were a major factor in the drop, but the loss of federal revenue sharing funds for cities, town and counties have also forced staff reductions.

Unemployment Down In Western Washington But Up In Eastern Washington

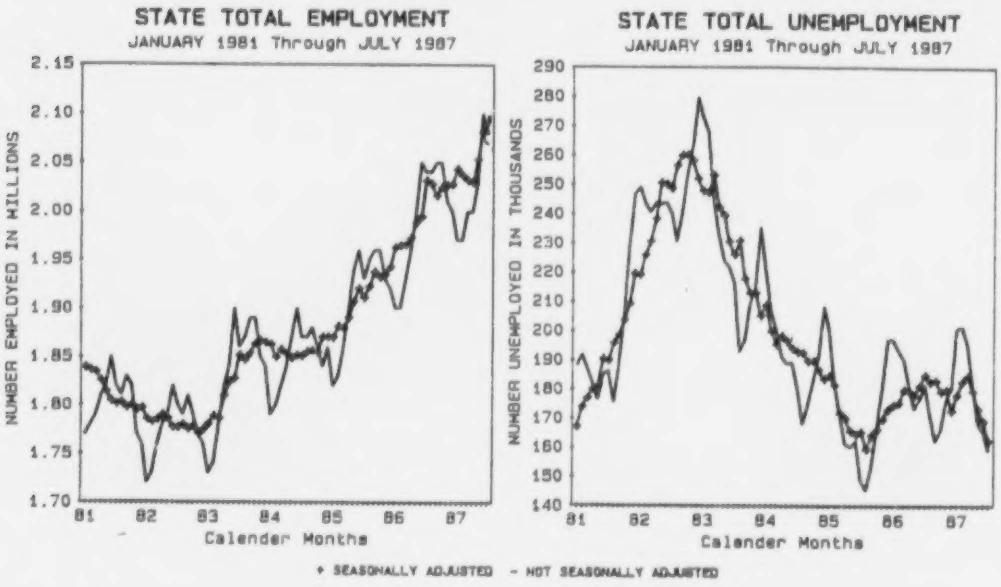
In contrast with June when the jobless rate dropped much more in Eastern Washington than Western Washington, the unemployment rate rose from 8.4 to 8.9 percent between June and July east of the Cascades but fell from 7.0 to 6.6 percent on the west side of the state. The asparagus and cherry harvests and related work in food processing and fruit-vegetable packing and shipping created thousands of jobs in Eastern Washington in June, but the asparagus harvest was completed by July, while the cherry harvest had passed its peak resulting in a sharp drop in employment on the east side and a jump in unemployment.

Typical of eastern counties with a seasonal decline in agriculture and related jobs were Yakima, Grant, and Walla Walla counties. In Yakima County fewer harvest jobs resulted in a 10,600 drop in total employment between June and July, while unemployment rose 1,000, and the jobless rate jumped from 9.0 to 11.1 percent. Grant County's unemployment rate rose from 9.4 to 10.6 percent with a 1,560 drop in employment. Walla Walla County has more diversity in its overall economy as well as in its agricultural crops. Nonetheless, employment there fell nearly 1,000, and the county's unemployment rate rose from 6.3 to 7.3 percent.

In Western Washington seasonal losses in education were offset by growth in construction, trade, services and other industries which lowered unemployment. In the Seattle Metropolitan Area, the jobless rate fell from 6.2 to 5.8 percent, while Tacoma's rate dropped from 8.2 to 7.8 percent. The rate in the Vancouver Metropolitan Area was down a half a point to 8.0 percent, helped by the reopening of the former ALCOA aluminum plant.

Unemployment Down In Most Areas Over The Year--Some Exceptions

Over the year, unemployment declined in most counties. Exceptions included Klickitat and Pend Oreille counties. In Klickitat County the rate jumped from 12.8 to 17.2 percent, the highest in the state, because of the closure of the aluminum plant in Goldendale. The plant has now been sold, however, and should be reopened this year. Pend Oreille lost a computer component manufacturer this year, and its unemployment rate was up from 13.4 percent in July 1986 to 15.3 percent this July. The beginning of construction on a newsprint plant at Usk, north of Spokane, this fall will help the area's economy. Total employment in the county this July was 2,500. Construction employment on the two-year project is expected to average 600. The plant should employ 140 full-time workers when it opens.



MANUFACTURING INDUSTRIES

Lumber Production Strong

Housing starts have declined over the year in the nation, nonetheless, lumber orders and production have expanded over the year. According to the Western Wood Products Association, year-to-date lumber production through the week ended August 22, 1987 west of the Cascades in Oregon and Washington was up 17.7 percent while new orders were up nearly 16 percent.

Lumber Workers Needed

The Simpson Timber Company was accepting applications for 30 full-time jobs in its Shelton lumber and plywood mills in August, but the response to the openings was not as great as expected. The number of workers on layoff status remaining available to fill the jobs was not sufficient despite the layoff of about 450 workers in 1985 and early 1986 by Simpson in Shelton and McCleary. Most of those workers took early retirement, moved on to other jobs or went back to school.

Many applicants for the jobs were unable to meet Simpson's requirements. A physical exam, including a substance abuse test, was required. About half of the applicants failed the strength test.

Simpson Timber Shipped To Iraq

The Simpson Timber Company provided 1.5 million board feet of lumber in the first sale of U.S. lumber to Iraq. An Iraq Embassy spokesperson said "We have no mill operations--we have no timber." Iraq will use the lumber to build docks, shelters and forms for industrial construction. The sale, which took two years to negotiate, was made possible by a U.S. Department of Agriculture loan guarantee.

Navy Ship Construction Ends

The last Navy ship to be constructed in Seattle will be launched and leave Puget Sound in early September. The Fort McHenry, a 610-foot ship designed to land Marines on enemy shores, was built by Lockheed Shipbuilding and will be the last Navy ship built in the Seattle shipyard. All work at the yard is expected to end this year. The shipyard is now for sale. A few years ago the yard employed 3,600 workers. At Seattle's other major shipyard, Todd Shipbuilding, 4,500 workers were employed building guided missile frigates five years ago, but the yard now employs only 900 workers on ship repair contracts, according to news reports.

Although Todd's Seattle shipyard is expected to remain in business, it has been having financial difficulties. Inability to obtain a performance bond last spring prevented Todd from receiving a $9.1 million contract to overhaul a state ferry. A spokesperson for Todd, however, said that the shipyard should be able to resume doing repairs and overhauls on state ferries now. The firm has $100 million in equity and is being restructured.

Luxury Yacht Builder Successful

Puget Sound shipyards have lost business in recent years as the Navy nears its 600 ship goal and because of competition from shipyards on the East and Gulf Coasts which have lower wage rates. Boatbuilding for the pleasure market, however, has been expanding.

Westport Shipyard is an example of one of the many successful boatbuilders in the state. The company began building yachts in 1978 and is now one of the major custom builders of large fiberglass yachts in the country. Its 60 year-round employees build yachts up to 130 feet long which cost up to $3 million and often take one year to build. The firm also builds fiberglass hulls for other custom yacht builders.

Earnings and Employment Up at Paccar Inc.

Another example of a successful firm in the transportation equipment industry outside of aerospace is Paccar, a Bellevue-based truck manufacturer. Following the closure of plants in California and Missouri last year and a pickup in truck sales, employment at the Seattle plant rose 100 over the year, according to newspaper reports. Second quarter sales for the firm were a reported $605 million, up 42 percent over the year.

American Airlines Considering Major Aircraft Purchase

American Airlines is considering the replacement of its Boeing 727's with more fuel efficient planes. Three aircraft are under consideration, the Boeing 7J7, the McDonnel Douglas MD-9192 and the Airbus Industrie A-320. The 7J7 and MD-9192 are expected to use 70 percent less fuel than the 727's because of a new type of engine. The A-320's conventional engines are 50 percent more efficient than the 727 engines. A spokesman for American Airlines said they may order 400 new planes if they are as economical as their manufacturer's claim and if business is good enough in the 1990's. The cost of each new plane would be in the $30-36 million range.

British Airways Orders $926 Million In Boeing Jets

In August British Airways ordered 11 Boeing 767 and three 757 jetlines for about $926 million, and has taken options on 15 additional 767's. This was Boeing's first sale of the 767 to an Airbus Industrie member country.

NONMANUFACTURING INDUSTRIES

Housing Starts Down But Construction Payrolls Up

New housing starts were down about 11 percent over the year nationally in July largely because of higher mortgage rates. Nonetheless, construction employment remains up over the year because of growth in commercial and public construction and because more expensive homes are being built this year which require more labor per unit. A larger proportion of home buyers this year already own homes but want to upgrade their housing. Reflecting the increase in size and quality, the median price of a new home nationally in June was $110,000, up from $91,200 in June 1986.

Overall, housing starts in subsequent years are unlikely to match those of the 1970's, however, even if interest rates decline substantially because there are fewer potential first-time home buyers. First-time buyers are usually in their late 20's or early 30's and their numbers are declining with the aging of the baby-boom generation.

Consumer Spending Defies Forecasts

While economists have been predicting a slowdown in consumer spending this year because of declining personal income growth, a low savings rate and heavy debt burdens, consumer spending rose briskly in both June and July. In June, consumer spending rose 0.9 percent; personal income rose only 0.3 percent but the savings rate dropped from 4.3 to 3.3 percent of after tax income. In July, consumer spending also jumped 0.9 percent while personal income rose only 0.4 percent and the savings rate fell to 2.8 percent.

Consumer spending may increase strongly in August also because of automobile sales incentives. That, however, will likely add to the downward pressure on spending in subsequent months. The current growth in consumer outlays cannot be sustained.

Insurance Firm to Leave Spokane

Fireman's Fund Insurance Company announced that it will move its western regional offices with about 325 jobs from Spokane to San Diego early next year. The firm cited restructuring of its organization as the reason for the move. Regional offices in the reorganization will handle sales and marketing functions as well as underwriting and processing functions. About 75 percent of the company's agents in the western states are in California. Financial assistance will be provided to employees with satisfactory records to relocate in San Diego. Severence pay, other benefits and job counseling will be provided to employees who are unable to move.

School Bells and Picket Signs

Schools in most areas of the state reopened in early September to begin a new school year. In a few areas, however, summer vacations for students were extended as their teachers went on strike when they could not agree with school districts over class size and pay. Approximately 900 teachers in Edmonds were on strike in early September, while 630 Renton teachers rejected a new contract by about a 65 percent margin to delay the reopening of their schools.

NATIONAL CONTEXT

Economy Remains Strong

Most measurements of the nation's economy were positive in the second quarter and in the first month of the third quarter. Foreign imports continued to exceed exports, interest rates were higher than one year ago, which resulted in fewer housing starts this summer; and turmoil in the Middle East was keeping oil prices artificially high. Nonetheless, the nation's economy was strong with employment continuing to expand and unemployment falling to levels not seen since the late 1970's. Moreover, the outlook promises further improvement in labor market conditions.

Leading Indicators Continue Upward

The Index of Leading Economic Indicators, the government's main barometer of future economic activity, rose 0.5 percent in July to post its sixth consecutive increase and its tenth in the last twelve months. Analysts were impressed with the consistency of the upward movement and believe it suggests further expansion in the economy in subsequent months.

Individual leading indicators advancing during the month included stock market prices; sensitive material prices, suggesting more demand from manufacturers; and the index for business deliveries, an indication of larger order backlogs. Plant and equipment orders were up slightly. Leading indicators showing declines in July included orders for consumer goods and building permits. The money supply was down slightly. The average workweek and initial claims for unemployment insurance were unchanged from June. July data were not yet available on credit outstanding or inventories.

CONSUMER PRICE INDEX*

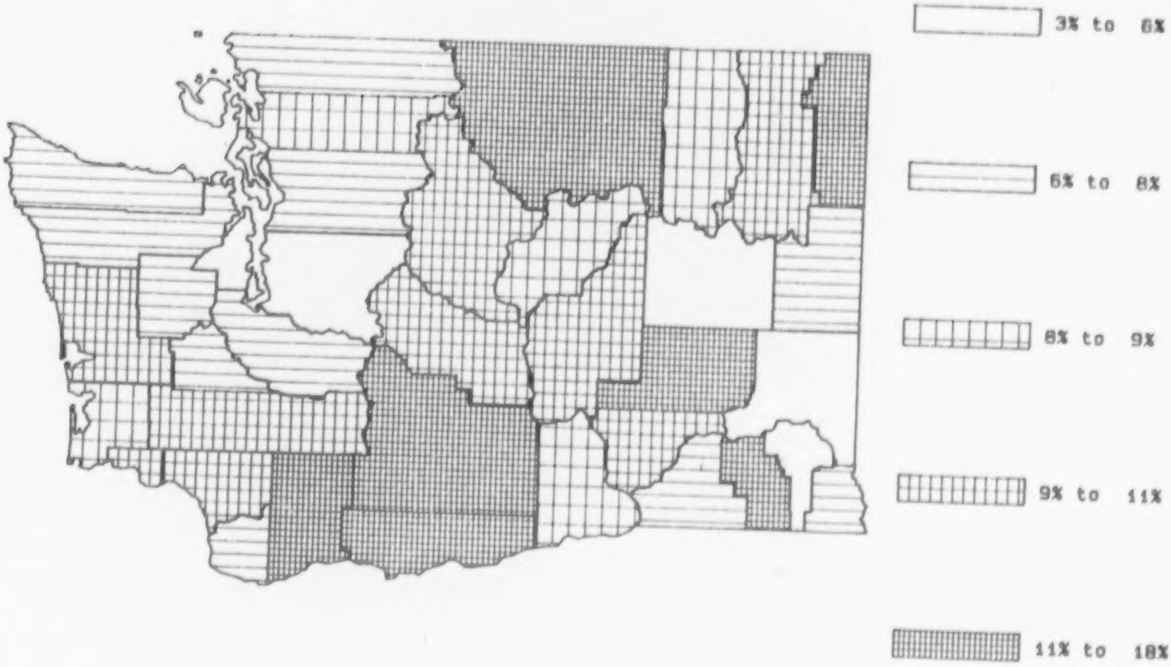
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	July 1987	June 1987	July 1986	July 1987	June 1987
U.S. City Average	340.8	340.1	328.0	3.9	3.7
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

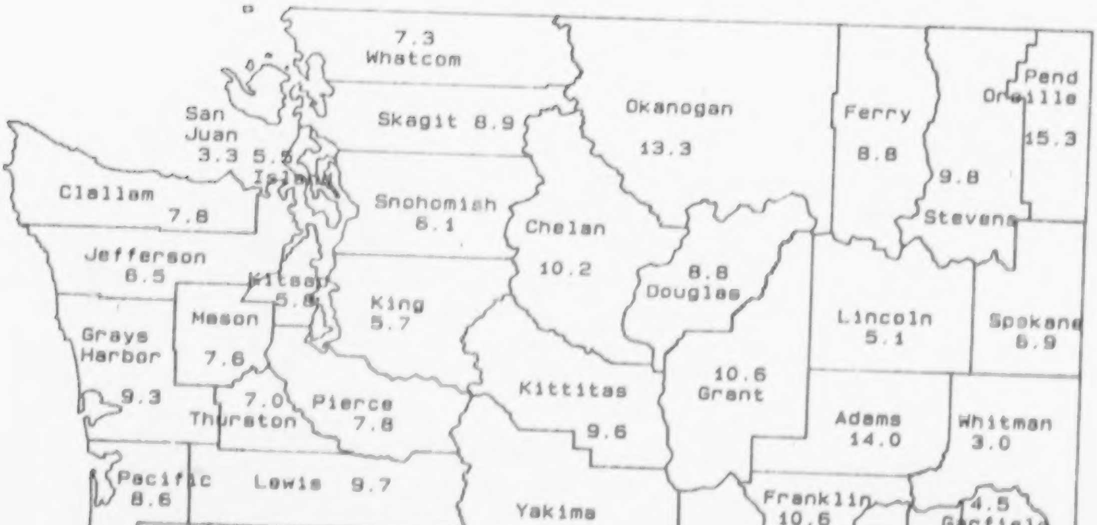
* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish counties.

JULY UNEMPLOYMENT RATES

State of Washington 7.1



3% to 6%
6% to 8%
8% to 9%
9% to 11%
11% to 18%



7.3 Whatcom
San Juan 3.3
5.5 Island
Skagit 8.9
Okanogan 13.3
Ferry 8.8
9.8 Stevens
Pend Oreille 15.3
Clallam 7.8
Snohomish 6.1
Chelan 10.2
Jefferson 6.5
Kitsap 5.8
King 5.7
8.8 Douglas
Lincoln 5.1
Spokane 6.9
Grays Harbor 9.3
Mason 7.6
10.6 Grant
Kittitas 9.6
7.0 Thurston
Pierce 7.8
Adams 14.0
Whitman 3.0
Pacific 8.6
Lewis 9.7
Yakima 11.1
Franklin 10.6
4.5 Garfield
16.6 Columbia
7.3 Walla Walla
Wahkiakum 9.2
Cowlitz 9.4
Skamania 12.9
8.3 Benton
7.1 Asotin
8.0 Clark
Klickitat 17.2

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

DATE 9/1/87
Benchmark: 1986

(Not Seasonally Adjusted)

	JULY 1987 PRELIMINARY 1/				JUNE 1987 REVISED 1/				JULY 1986 REVISED			
	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate	Labor Force	Employment	Unemploy-ment	Unemp. Rate
Washington State total	2,239,900	2,080,700	159,200	7.1	2,272,800	2,107,100	165,700	7.3	2,230,600	2,049,100	181,500	8.1
Bellingham MSA	57,700	53,500	4,200	7.3	58,200	53,800	4,400	7.6	57,400	52,400	5,000	8.7
Bremerton MSA	71,200	67,100	4,100	5.8	71,300	67,000	4,300	6.0	70,900	66,200	4,700	6.6
Olympia MSA	71,800	66,800	5,000	7.0	73,500	68,200	5,300	7.2	71,900	65,900	6,000	8.3
Seattle PMSA	994,200	936,500	57,700	5.8	994,300	933,100	61,200	6.2	966,300	902,700	63,600	6.6
King County 2/	792,800	747,400	45,400	5.7	792,500	744,700	47,900	6.0	769,100	720,400	48,700	6.3
Snohomish County 2/	201,400	189,100	12,300	6.1	201,900	188,500	13,400	6.6	197,200	182,300	14,900	7.6
Spokane MSA	161,900	150,800	11,100	6.9	166,100	154,300	11,800	7.1	162,300	149,700	12,600	7.8
Tacoma PMSA	236,100	217,700	18,400	7.8	239,100	219,600	19,500	8.2	233,400	213,600	19,800	8.5
Tri-Cities MSA	69,300	63,200	6,100	8.8	79,000	72,300	6,700	8.5	70,300	63,400	6,900	9.8
Benton County 2/	53,100	48,700	4,400	8.3	60,900	55,800	5,100	8.4	54,100	48,900	5,200	9.6
Franklin County 2/	16,100	14,400	1,700	10.6	18,100	16,500	1,600	8.8	16,200	14,500	1,700	10.5
Vancouver PMSA	106,400	97,900	8,500	8.0	108,600	99,400	9,200	8.5	107,200	97,900	9,300	8.7
Yakima MSA	89,400	79,500	9,900	11.1	99,000	90,100	8,900	9.0	98,400	85,200	13,200	13.4
Adams	7,120	6,120	1,000	14.0	7,090	6,430	660	9.3	7,360	6,250	1,110	15.1
Asotin	8,770	8,150	620	7.1	8,840	8,110	730	8.3	8,380	7,750	630	7.5
Clallam	23,230	21,420	1,810	7.8	23,410	21,530	1,880	8.0	22,800	20,800	2,000	8.8
Columbia	2,050	1,710	340	16.6	3,180	2,970	210	6.6	1,930	1,520	410	21.2
Cowlitz	33,880	30,690	3,190	9.4	34,300	31,320	2,980	8.7	36,190	32,290	3,900	10.8
Ferry	2,600	2,370	230	8.8	2,600	2,360	240	9.2	2,730	2,410	320	11.7
Garfield	1,110	1,060	50	4.5	1,120	1,050	70	6.3	1,180	1,100	80	6.8
Grant	27,020	24,150	2,870	10.6	28,390	25,710	2,680	9.4	28,070	25,000	3,070	10.9
Grays Harbor	25,930	23,530	2,400	9.3	26,250	23,720	2,530	9.6	26,710	23,510	3,200	12.0
Island	17,500	16,530	970	5.5	17,730	16,700	1,030	5.8	17,240	16,210	1,030	6.0
Jefferson	8,620	8,060	560	6.5	8,320	7,740	580	7.0	8,360	7,780	580	6.9
Kittitas	11,090	10,030	1,060	9.6	11,820	10,730	1,090	9.2	11,440	10,380	1,060	9.3
Klickitat	7,610	6,300	1,310	17.2	7,930	6,420	1,510	19.0	8,390	7,320	1,070	12.8
Lewis	24,130	21,780	2,350	9.7	24,800	22,240	2,560	10.3	24,960	22,200	2,760	11.1
Lincoln	4,700	4,460	240	5.1	4,900	4,640	260	5.3	4,870	4,640	230	4.7
Mason	12,780	11,810	970	7.6	12,730	11,660	1,070	8.4	13,130	11,910	1,220	9.3
Okanogan	15,640	13,560	2,080	13.3	15,370	13,550	1,820	11.8	16,450	13,950	2,500	15.2
Pacific	6,970	6,370	600	8.6	6,940	6,350	590	8.5	7,430	6,600	830	11.2
Pend Oreille	2,950	2,500	450	15.3	3,040	2,540	500	16.4	3,670	3,180	490	13.4
San Juan	5,730	5,540	190	3.3	5,220	5,000	220	4.2	5,680	5,430	250	4.4
Skagit	36,000	32,810	3,190	8.9	32,920	29,690	3,230	9.8	36,150	32,570	3,580	9.9
Skamania	2,410	2,100	310	12.9	2,620	2,230	390	14.9	2,430	2,040	390	16.0
Stevens	11,090	10,000	1,090	9.8	11,270	10,080	1,190	10.6	11,300	9,900	1,400	12.4
Wahkiakum	1,200	1,090	110	9.2	1,250	1,130	120	9.6	1,220	1,070	150	12.3
Walla Walla	23,340	21,640	1,700	7.3	24,140	22,620	1,520	6.3	24,200	22,100	2,100	8.7
Wenatchee Labor Area	41,690	37,630	4,060	9.7	40,100	35,970	4,130	10.3	43,010	37,730	5,280	12.3
Chelan County 2/	28,320	25,430	2,890	10.2	27,290	24,310	2,980	10.9	29,370	25,500	3,870	13.2
Douglas County 2/	13,370	12,200	1,170	8.8	12,810	11,660	1,150	9.0	13,640	12,230	1,410	10.3
Whitman	16,820	16,320	500	3.0	17,530	16,860	670	3.8	17,040	16,320	720	4.2

1/ Estimates provided here are for use as an economic time-series. Official Bureau of Labor Statistics estimates, which must be used for Federal program purposes, are available upon request.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

September 1, 1987
Benchmark: 1986

	JULY 1987 PRELIMINARY 1/				JUNE 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,225,300	2,069,000	156,300	7.0	2,251,900	2,087,100	164,800	7.3
Bellingham MSA	57,400	53,200	4,200	7.3	57,600	53,300	4,300	7.5
Bremerton MSA	70,800	66,700	4,100	5.8	70,700	66,400	4,300	6.1
Olympia MSA	71,300	66,400	4,900	6.9	72,800	67,500	5,300	7.3
Seattle PMSA	987,900	931,300	56,600	5.7	985,100	924,300	60,800	6.2
King County 2/	787,700	743,200	44,500	5.6	785,100	737,600	47,500	6.1
Snohomish County 2/	200,200	188,100	12,100	6.0	200,000	186,700	13,300	6.7
Spokane MSA	160,800	149,900	10,900	6.8	164,500	152,800	11,700	7.1
Tacoma MSA	234,500	216,500	18,000	7.7	236,900	217,500	19,400	8.2
Tri-Cities MSA	68,800	62,800	6,000	8.7	78,200	71,600	6,600	8.4
Benton County 2/	52,700	48,400	4,300	8.2	60,200	55,200	5,000	8.3
Franklin County 2/	16,100	14,400	1,700	10.6	18,000	16,400	1,600	8.9
Vancouver PMSA	105,700	97,400	8,300	7.9	107,700	98,500	9,200	8.5
Yakima MSA	88,800	79,100	9,700	10.9	98,100	89,200	8,900	9.1
Adams	7,070	6,090	980	13.9	7,030	6,370	660	9.4
Asotin	8,700	8,100	600	6.9	8,750	8,030	720	8.2
Clallam	23,080	21,300	1,780	7.7	23,200	21,330	1,870	8.1
Columbia	2,030	1,700	330	16.3	3,150	2,940	210	6.7
Cowlitz	33,650	30,520	3,130	9.3	33,980	31,020	2,960	8.7
Ferry	2,580	2,360	220	8.5	2,580	2,340	240	9.3
Garfield	1,100	1,050	50	4.5	1,110	1,040	70	6.3
Grant	26,830	24,020	2,810	10.5	28,140	25,470	2,670	9.5
Grays Harbor	25,760	23,400	2,360	9.2	26,010	23,490	2,520	9.7
Island	17,390	16,440	950	5.5	17,580	16,550	1,030	5.9
Jefferson	8,560	8,010	550	6.4	8,240	7,670	570	6.9
Kittitas	11,020	9,980	1,040	9.4	11,710	10,630	1,080	9.2
Klickitat	7,540	6,260	1,280	17.0	7,860	6,360	1,500	19.1
Lewis	23,970	21,660	2,310	9.6	24,580	22,030	2,550	10.4
Lincoln	4,670	4,430	240	5.1	4,850	4,590	260	5.4
Mason	12,700	11,750	950	7.5	12,610	11,550	1,060	8.4
Okanogan	15,520	13,480	2,040	13.1	15,230	13,420	1,810	11.9
Pacific	6,930	6,340	590	8.5	6,870	6,290	580	8.4
Pend Oreille	2,930	2,490	440	15.0	3,010	2,510	500	16.6
San Juan	5,700	5,510	190	3.3	5,170	4,950	220	4.3
Skagit	35,760	32,630	3,130	8.8	32,630	29,410	3,220	9.9
Skamania	2,380	2,080	300	12.6	2,600	2,210	390	15.0
Stevens	11,010	9,940	1,070	9.7	11,170	9,990	1,180	10.6
Wahkiakum	1,200	1,090	110	9.2	1,230	1,110	120	9.8
Walla Walla	23,180	21,520	1,660	7.2	23,920	22,410	1,510	6.3
Wenatchee Labor Area	41,400	37,420	3,980	9.6	39,740	35,630	4,110	10.3
Chelan County 2/	28,130	25,290	2,840	10.1	27,050	24,080	2,970	11.0
Douglas County 2/	13,270	12,130	1,140	8.6	12,690	11,550	1,140	9.0
Whitman	16,720	16,230	490	2.9	17,370	16,700	670	3.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

(In Thousands)

NOT SEASONALLY ADJUSTED

Industry	Jul. 1987 (Prel.)	Jun. 1987 (Rev.)	Jul. 1986 (Rev.)	Jun. 1986 (Rev.)	Numerical Change Jun. 87 to Jul. 87	Numerical Change Jul. 86 to Jul. 87
TOTAL NONAG. WAGE AND SALARY....	1838.1	1854.0	1775.0	1790.1	-15.9	63.1
MANUFACTURING..................	315.9	314.2	302.7	305.5	1.7	13.2
Durable Goods..................	222.4	220.4	211.4	213.5	2.0	11.0
Lumber & Wood Products.....	40.7	40.0	36.9 4/	39.5	0.7	3.8
Furniture & Fixtures.......	4.1	4.0	3.8	3.8	0.1	0.3
Stone, Clay & Glass........	6.7	6.5	6.7	6.5	0.2	0.0
Primary Metals.............	11.5	11.2	11.4	11.1 4/	0.3	0.1
Aluminum..................	7.5	7.2	7.2	7.0 4/	0.3	0.3
Fabricated Metals..........	10.5	10.4	10.1	9.9	0.1	0.4
Machinery..................	28.5	28.4	29.2	30.3	0.1	-0.7
Machinery (Exc. Elec.)...	16.4	16.3	16.8	17.8	0.1	-0.4
Electrical Equip.........	12.1	12.1	12.4	12.5	0.0	-0.3
Transportation Equip.......	105.4	104.9	98.2	97.3	0.5	7.2
Aerospace................	92.7	91.8	85.9	84.6	0.9	6.8
Other Transp. Equip......	12.7	13.1 4/	12.3	12.7	-0.4	0.4
Instruments & Related......	10.3	10.2	10.6	10.6	0.1	-0.3
Misc. Manufacturing........	4.7	4.8	4.5	4.5	-0.1	0.2
Nondurable Goods............	93.5	93.8	91.3	92.0	-0.3	2.2
Food & Kindred Products....	29.7	30.6	29.3	30.6	-0.9	0.4
Canned & Preserved Foods.	9.6	10.9	9.7	11.1	-1.3	-0.1
Apparel & Allied Products..	6.4	6.2	6.2	5.8	0.2	0.2
Paper & Allied Products....	17.7	17.6	17.6	17.1	0.1	0.1
Printing & Publishing......	19.4	19.3	18.7	18.8	0.1	0.7
Chemicals & Allied Products	11.8	11.8	11.6	11.6	0.0	0.2
Other Nondurable Goods 3/..	8.5	8.3	7.9	8.1	0.2	0.6
MINING & QUARRYING	3.0	3.0	3.0	3.0	0.0	0.0
CONSTRUCTION..................	95.4 4/	93.1	90.3 4/	88.1 4/	2.3	5.1
TRANSP.,COMM. & UTIL..........	100.3 4/	99.7 4/	97.0	96.3 4/	0.6	3.3
WHOLESALE & RETAIL TRADE.......	464.9	462.1	439.7	440.4	2.8	25.2
Wholesale Trade...........	112.3	112.9	108.2	108.1 4/	-0.6	4.1
Retail Trade..............	352.6	349.2	331.5	332.3	3.4	21.1
FIN. INS. & REAL ESTATE........	108.8	108.3	106.7	106.2	0.5	2.1
SERVICES......................	411.4	410.4	395.7	394.6	1.0	15.7
Health Services...........	128.4	127.2	123.3	122.3	1.2	5.1
GOVERNMENT..	338.4	363.2	339.9	356.0	-24.8	-1.5
Federal...................	76.0	73.1	72.9	69.6	2.9	3.1
State & Local.............	262.4	290.1	267.0	286.4	-27.7	-4.6
Education...............	120.9	151.4	124.4	149.9	-30.5	-3.5
(WORKERS IN LABOR-MANAGEMENT DISPUTES......................	0.4	0.7	3.2	2.3	-0.3	-2.8

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim JOL Production Workers/ Nonsupervisory Workers	Average Weekly Earnings July-87	June-87	July-86	Average Weekly Hours July-87	June-87	July-86	Average Hourly Earnings July-87	June-87	July-86
TOTAL MANUFACTURING INDUSTRIES*	189,500	$475.99	$479.57	$461.23	39.6	40.3	38.5	$12.02	$11.90	$11.98
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35,300	$408.11	$429.85	** $392.03	36.8	39.4	35.9	$11.09	$10.91	$10.92
Primary Metal Industries	9,100	$536.64	$534.87	$526.64	43.0	43.1	41.5	$12.48	$12.41	$12.69
Fabricated Metal Products	8,200	$427.43	$441.78	$465.94	38.3	39.2	40.8	$11.16	$11.27	$11.42
Machinery	16,900	$374.92	$386.07	$344.37	39.3	40.3	34.3	$9.54	$9.58	$10.04
Food and Kindred Products	21,000	$377.13	$376.35	$361.19	37.6	39.0	36.3	$10.03	$9.65	$9.95
Chemical and Allied Products	5,400	$619.04	$611.31	$594.98	42.4	42.6	41.9	$14.60	$14.35	$14.20
Transportation Equipment	43,600	$605.04	** $613.53	$569.42	41.9	42.4	41.9	$14.44	$14.47	$13.59
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	70,100	** $602.50	$616.26	** $576.20	37.1	37.6	35.9	$16.24	$16.39	$16.05
Wholesale and Retail Trade (does not include eating and drinking establishments)	283,100	$337.01	$322.67	$321.55	35.4	34.4	33.6	$9.52	$9.38	$9.57

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
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Olympia WA 98504-5311

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Washington LABOR MARKET

JOB SERVICE

Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Irv Lefberg
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

September 1987

Highlights

Labor Market Continues to Strengthen

Rising interest rates, a slowdown in personal income gains and an expanding trade deficit threaten to reduce growth in the economy later this year. Nonetheless, employment continues to move ahead at a brisk pace in both the state and nation with unemployment down to levels not seen since the late 1970's.

Nonfarm Jobs Increase

Total employment in Washington State rose 8,500 between July and August with all of the growth in nonfarm employment. Agricultural payrolls slipped slightly over the month with the berry harvests winding down in Western Washington and the end of the cherry and apricot harvests in Eastern Washington. Farm employment remained strong in August, however, with pears, peaches, early apples and hops being harvested in Eastern Washington and the harvest of miscellaneous vegetables continuing throughout the state.

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	Aug. 1987* (Prel.)	July 1987* (Rev.)	Aug. 1986
Civilian Labor Force	2,236,800	2,239,700	2,214,600
Total Employment	2,087,500	2,079,000	2,043,800
Total Unemployment	149,300	160,700	170,800
State Unemployment Rate	6.7	7.2	7.7
National Civilian Unemployment Rate	5.8	6.1	6.7

*These data represent alternative estimates of labor force conditions developed by the State Employment Security Department. They are more comparable with data released in previous years than are the official Bureau of Labor Statistics estimates developed for federal program purposes. (Data in this table are not seasonally adjusted.)

Unemployment Low

Reflecting the seasonal increase in employment opportunities, total unemployment in Washington State fell from 7.2 percent of the labor force in July to 6.7 percent in August. The rate this August was the lowest for that month since 1979. The drop over the month was greater than usual for this time of the year and after seasonal adjustment the rate fell from 7.4 to 7.2 percent. This was the fifth consecutive month the adjusted rate has declined, indicating that the economy of the state is growing apart from seasonal job gains.

Nationally, unemployment has also dropped substantially as the economy, problems or not, continues to expand. The seasonally adjusted rate this August was 6.0 percent. It was down from 6.8 percent one year ago with most of the improvement coming since February. Unemployment fell over the year for nearly all worker groups; whites, blacks, teenagers, males and females. The breakdown of unemployment by characteristic from the national household survey provides insights on the unemployment situation not available for Washington State. Nonetheless, similar trends likely prevail in this state.

Employment Up For Black Teens Fewer Jobless

While national jobless rates were down for nearly all workers over the year, blacks and teenagers, particularly black teenagers, enjoyed the greatest reduction. Compared with the overall drop of eight-tenths of a point, the unemployment rate for whites fell from 5.8 to 5.1 percent, while the rate for blacks dropped from 14.6 to 12.4 percent. Teenagers saw their rate move down from 18.0 to 16.0 percent, but the rate for black teens plunged from 40.3 to 29.2 percent year to year. Moreover, the drop occurred as their labor force participation rate rose from nearly 39 percent in August 1986 to almost 46 percent in August 1987. The number of black 16-19 year olds employed jumped over 42 percent year to year, compared to a healthy but much smaller increase of 6.3 percent for all teenagers.

The employment gains by teenagers resulted from rapid growth in retail trade and service jobs normally held by youth, while the drop in their jobless rates was also due to the lack of increase in the number of youth aged 16-19. Black youth benefited to a greater extent because they were underutilized. Even with the improvement noted, however, their jobless rate this August was still more than twice the rate for white teenagers, 14.0 versus 29.2 percent, and their labor force participation rate remained well below that of white youth, 45.9 versus 58.8 percent.

Fewer Than Half of Jobless Lost Last Job

Other significant data from the August national household survey show that less than half of all unemployed workers were jobless because they were laid off or dismissed from their last job (46.6 percent). An estimated 14 percent had quit their former job, more than one-fourth of the unemployed were re-entering the labor force (27.9 percent) and more than one-in-ten were entering the job market for the first time (11.6 percent). Over 44 percent of those unemployed in August had been jobless for less than five weeks. Less than 15 percent had been unemployed 27 weeks or longer.

Nonfarm Jobs up 10,300 In August

Nonagricultural wage and salary employment in Washington State advanced 10,300 between July and August as seasonal gains in several industries more than offset a drop of 4,100 in public education, which normally declines in August. Manufacturing accounted for 4,500 of the job expansion over the month.

Canneries Humming

Food and kindred products added 3,600 jobs in August to account for the bulk of the new manufacturing jobs. Food processors were busy canning and freezing summer fruits and vegetables; such as beans, sweet corn, peaches and cauliflower; and boosted payrolls 3,000, while plants producing snack foods and beverages saw an upturn in their business. Aerospace added 800 in August, bringing its workforce up to 93,500, for a gain of 5,300 since the beginning of the year. Fabricated metals added 300 with more seasonal demand from the construction industry. Losses in manufacturing were relatively minor in August. "Other transportation equipment" slipped 200 because of a labor dispute; restrictions on logging because of fire hazard conditions resulted in a dip of 200 in lumber and wood products; and pulp and paper product payrolls were down 200 following past seasonal patterns.

Construction At Peak

Construction advanced to what may be its peak level of the year in August with a gain of 2,600 to lead the expansion in the nonmanufacturing industries. Seasonal growth in wholesale trade added 1,600 jobs, mainly at fruit and vegetable warehouses in Eastern Washington. Other sizable expansions were noted in retail trade, up 900, and services, up 2,400. Tourist business and county fairs accounted for most of the new jobs in these industries. Reporting higher employment were hotels, motels, resorts, amusements (fairs, carnivals, and amusement parks) and restaurants (including food and beverage stands).

Education Payrolls Drop Seasonally

Government went against the overall trend in August, but the loss resulted from a normal seasonal cutback in public education which fell 4,100. The loss was cushioned by seasonal gains at parks, playgrounds, forests and in other public outdoor jobs to reduce the drop in civilian government payrolls to 2,300. September, however, will see a substantial gain in public education employment because of the beginning of a new school year.

Growth Accelerates

The year-to-year comparison of employment in the state continues to show substantial job growth in the state's economy, apart from the normal summer expansion. In August nonfarm employment in the state was up 64,700, or 3.6 percent. And despite the age of the current upturn, employment growth in the state is still accelerating. In August 1986, the year-to-year job gain was 49,500 or 2.9 percent.

Aerospace continues to provide a driving force behind the current expansion with a gain of 6,800 over the year to account for over half of the state's new manufacturing jobs. Lumber employment was up 2,000 over the year in August, but employment in the industry in August 1986 had not yet recovered from a major labor-management dispute which was settled in late July. Moreover, even though the industry was setting record production levels this year, its employment this August was down 16,300, or 29 percent, from August 1978. Stiff competition from Canadian producers resulted in widespread automation and the closure of less efficient operations in recent years.

Trade and Services Lead Growth

In the nonmanufacturing industries, trade and the services industries continued to furnish most of the new jobs as is the case nationally. In Washington State 41,200 new jobs were created in the trade and service industries over the year to account for 65 percent of all new nonfarm payroll jobs in the state.

Elsewhere in nonmanufacturing, construction employment was up 4,500 year to year. The recent drop in housing starts resulting from the run-up in interest rates has not yet been reflected in the employment data. Meanwhile, public and commercial projects have been creating additional jobs in the building trades. Transportation-communications-utilities added 3,600 workers from August 1986, mainly in trucking which expands with growth in general business activity. Air transportation also posted a significant gain. Government, up 2,000, and finance-insurance-real estate, up 1,500, posted relatively modest gains over the year. Cutbacks at banks limited growth in finance, while budget limitations checked growth in public payrolls.

Area Development

Unemployment declined in most areas of the state in August, but the largest reductions occurred in areas where agriculture, food processing and fruit-vegetable warehouse activities were expanding. Major metropolitan areas also recorded lower unemployment as additional tourist business and an expanding construction industry created employment opportunities.

In Eastern Washington the jobless rate dropped a full point between July and August, from 8.9 to 7.9 percent, while the reduction in Western Washington was more modest, from 6.7 to 6.3 percent. Trends, however, were mixed within the areas. Yakima County had one of the largest reductions in unemployment on the east side, falling from 11.0 to 8.6 over the month. The peach, pear, hop and early apple harvest boosted employment in food processing, fruit packing as well as agriculture in the Yakima area. The Tri-Cities Metropolitan Area, on the other hand, with a different agriculture mix saw its rate remain unchanged over the month at 8.8 percent. Spokane's rate dropped from 6.9 to 6.6 percent with a pick up in tourist activity.

Tourist Business Helps Lower Unemployment

Additional tourist activity also provided more jobs in the Seattle and Tacoma metropolitan areas. Continued growth in aerospace jobs benefited both areas too: many Tacoma area residents work at King County aerospace plants. The unemployment rate in the

Seattle Metropolitan Area fell from 5.9 to 5.6 percent, while Tacoma's rate dropped from 7.8 to 7.3 percent.

Unemployment Remains High In Lumber Areas

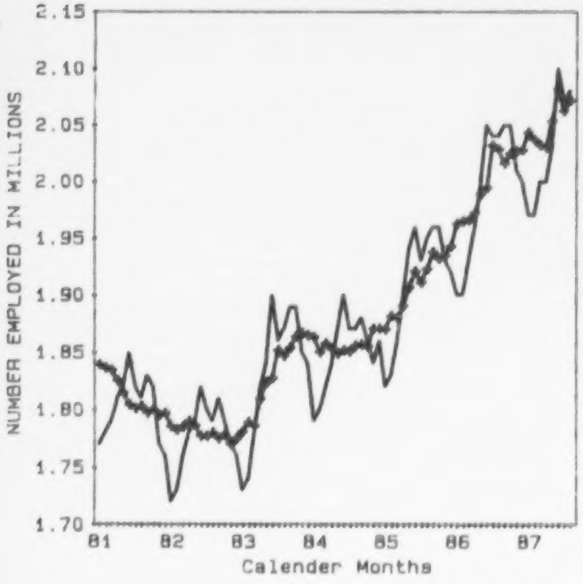
Lumber employment was relatively stable statewide over the month, but changes occurred in individual areas. Unemployment rates were mixed in counties highly dependent on this industry. The rate in Pacific County edged up from 8.9 to 9.2 percent; Grays Harbor County saw its rate hold even at 9.3 percent, while the rate in Lewis County fell from 9.8 to 9.0 percent. Overall, however, the unemployment rate in counties dependent on the lumber industry at 9.0 percent remained excessive.

Job Total Down In Eastern Washington Over The Year

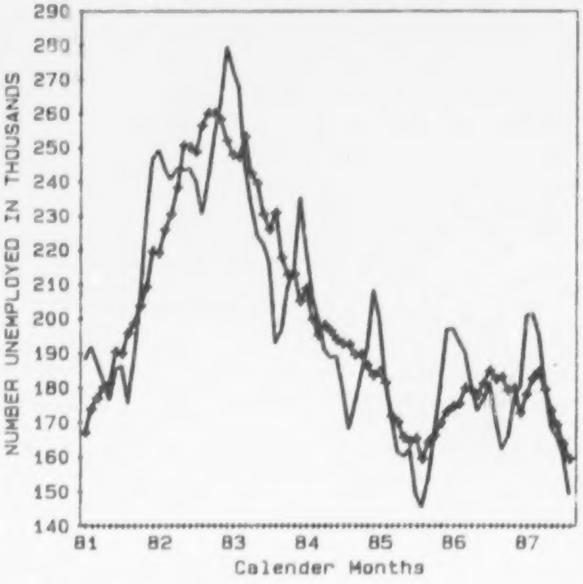
Total employment in Eastern Washington expanded in August because of seasonal growth, but employment east of the Cascades actually declined slightly over the year. Nonetheless, unemployment fell significantly on the state's east side from August 1986.

By contrast, employment in Western Washington jumped 44,300 year to year, but unemployment fell only 13,000. Many of the less populated counties in Western Washington show a trend similar to Eastern Washington's over the year; employment little changed but unemployment down. The logical assumption is that many jobless workers are moving to the Puget Sound area where jobs are more plentiful than in their home areas.

STATE TOTAL EMPLOYMENT
JANUARY 1981 Through JULY 1987



STATE TOTAL UNEMPLOYMENT
JANUARY 1981 Through JULY 1987



+ SEASONALLY ADJUSTED - NOT SEASONALLY ADJUSTED

INDUSTRY NOTES

Plywood Mill Reopens

WTD Industries reopened the former North Pacific Plywood Inc. plant in Graham (near Tacoma) in September. The plant closed nine months ago and was purchased by WTD through U.S. Bankruptcy Court. WTD has purchased 24 distressed wood products plants in the Northwest since 1983. The plant, reopened as Graham Plywood Co., resumed operating with 50 workers, many of whom were former North Pacific Plywood workers. The new firm expects to eventually hire 125 workers and operate four shifts. Full production may be reached by the end of the year.

Wood Fabricators to Relocate in Fresno

Wood Fabricators Inc., whose Yelm plant was destroyed by fire in August, has decided to relocate its business in Fresno. The firm had employed 85 workers in Yelm and will set up a temporary production line there employing 15-20 workers to serve immediate customers. Wood Fabricators builds wood pallets and wood reels for cable and most are sold in California. Reduced transportation costs were a major factor in the decision to relocate in Fresno. Former employees will have the opportunity to work in the Fresno plant after it is constructed.

Home Port Contract Awarded

The Navy awarded a $26.3 million contract at the end of September to begin construction of the Everett home port for a Navy Carrier Battle Group. Construction is scheduled to start in 60 days, but environmental groups are threatening legal action. The initial contract will include demolition of some existing buildings, site preparation, and the installation of utilities.

New Contract For Edmonds Teachers

A strike by 950 Edmonds teachers ended in late September when the teachers voted to accept a new contract by an 86 percent margin. The teachers did not get the limitation on classroom size they sought, but most teachers with overcrowded classes will receive help from aides and extra funds for supplies.

Electronics Warehouse For Tacoma

Mitsubishi Electric Sales America, Inc. will lease a 106,000 square foot building to be built on the Tacoma tideflats. The facility will be used to import and then distribute electronic goods in Canada and the northern half of the United States. No employment projections were available for the new facility, but Mitsubishi is expected to bring thousands of shipping containers through the Port of Tacoma, creating jobs for employees of shipping and transportation companies. The building is expected to be completed by next summer. Mitsubishi is the second large Japanese company to locate a major electronics distribution facility in Tacoma, which points up the growing importance of foreign trade.

Washington Ranks High In Foreign Trade

According to U.S. Census Bureau statistics, Washington State ranked fifth in exports and twelfth in imports among the states in the first seven months of 1987. Estimates indicate from one-in-six to one-in-four jobs in the state depend on foreign trade .

A study commissioned by the Washington State Department of Trade and Economic Development indicated that more than $2,350 worth of products were exported from Washington State in 1985 for every state resident. The rate on a per capita basis was more than twice the national average. The major state exports were airplanes and forest and agricultural products. The largest customers for these products were Japan, followed by Canada, South Korea, England, China, Taiwan and Australia.

Tacoma Boat Wins Big Navy Contract

In early October Tacoma Boatbuilding Co. was awarded an $18.5 million dollar Navy contract to build two submarine detection vessels. Construction of the vessels will start soon and will provide 250 jobs at the shipyard through October 1, 1989. Winning the contract was particularly significant for the firm and its employees since the company was reorganized and emerged from bankruptcy in September.

NATIONAL INDICATORS

Continued Growth Likely

The U.S. trade deficit widened in July; consumer prices accelerated in August, and interest rates jumped in September. Nonetheless, a variety of surveys and the Index of Leading economic indicators suggest the economy will continue to expand for some time.

Trade Deficit Grows

The nation's trade deficit increased in July because of a 1.8 percent increase in imports and a 0.6 percent drop in exports. Much of the increase in imports, however, resulted from a sharp rise in oil imports at higher prices, likely caused by stock piling because of concern that conflict in the Persian Gulf could disrupt supplies.

Analysts also said that the trade balance normally deteriorates in July, and trade data are not seasonally adjusted. In addition, higher import prices caused some of the deterioration. Many economists believe that the trade deficit has been closing in terms of volume. Nonetheless, a substantial reduction in the deficit appears to be a long way off.

CPI Up

The Consumer Price Index (CPI) rose 0.5 percent in August, posting its largest jump in eight months. In the first eight months of 1987, the CPI rose at an average annual rate of 5.1 percent, well above the 1.9 percent increase for 1986. While the upward climb in 1986 was checked by falling oil prices, rising oil prices account for much of the increase this year. Gasoline prices have risen 21.4 percent since January, but analysts noted that oil prices have began to decline and that the worst of the price increases for this year appear to be over.

Fixed-Rate Mortgage Rates Top 11 Percent

Conventional fixed-rate mortgages rose to over 11 percent in mid-September for the first time since late 1985. The rate one-year earlier was 10.1 percent. Analysts attributed the latest spurt in mortgage rates to investors' concern over inflation and the Federal Reserve Board's decision to raise the discount rate, the rate which the Federal Reserve charges on loans it makes to banks. This led banks and other lending institutions to raise their rates as well. Whatever the cause, higher mortgage rates will reduce housing starts further. In August, housing starts were at their lowest level in more than four years, largely because of previous increases in mortgage rates.

Executives Optimistic

A survey by the business-supported Conference Board of 1,000 senior executives in September showed the "biggest rise in confidence sentiment in over a year," according to the group's senior economist. Meanwhile, a recent Dunn and Bradstreet Corp. survey indicated sales expectations for the fourth quarter were at the highest level in three years. According to the firm's chief economist, the major reason for the optimism is the weaker U.S. dollar which is boosting demand from foreign countries.

The monthly survey of purchasing agents from 250 industrial companies by the National Association of Purchasing Management was also positive in August. Production climbed in August for the eighth consecutive month, according to the survey. Approximately 33 percent of the buying agents reported increased production at their firms, while only eight percent reported declines. New orders also picked up, with 36 percent indicating rising orders compared with 13 percent who reported declining orders. The composite index of the purchasing agents rose to 59.9 percent in August, its highest level since April 1984. When the index is above 50 percent, it generally indicates the economy is expanding.

Leading Indicators Up Again

Capping the positive indicators for August was a rise in the Index of Leading Economic Indicators, the government's main barometer of future economic activity. The index rose 0.6 percent in August to post its seventh consecutive monthly increase. The rise on a monthly basis has been modest but consistent, reflecting an economy which is growing moderately and likely to continue its slow growth for several more months.

Leading indicators contributing to the upward movement in the index in August were a decline in new claims for unemployment insurance and an increase in stock market prices. The money supply and building permits were up slightly. Leading indicators showing losses were orders for plant and equipment, sensitive material prices, and the index for business deliveries. A slight decline was reported in orders for consumer goods. Data on inventories and credit outstanding were not available for the preliminary August estimate.

CONSUMER PRICE INDEX*

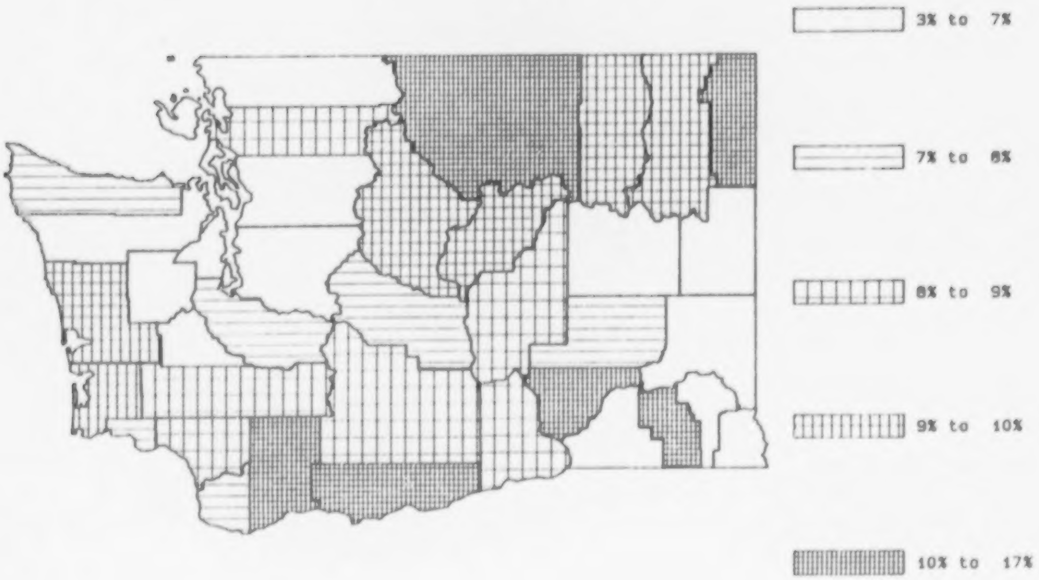
(All Items, Urban Consumers, 1967=100)

	INDEXES			PERCENT CHANGE Year Ending	
	Aug. 1987	July 1987	Aug. 1986	Aug. 1987	July 1987
U.S. City Average	342.7	340.8	328.6	4.3	3.9
	Jan.-June 1987	Jan.-June 1986		Jan.-June '86 to Jan.-June '87	
Seattle*	329.7	324.9		1.5	

* The Bureau of Labor Statistics no longer develops bimonthly CPI data for the Seattle area. Beginning this year the Seattle index will be published twice a year. The index for Seattle reflects prices in King, Pierce and Snohomish counties.

AUGUST UNEMPLOYMENT RATES

State of Washington 6.7


3% to 7%
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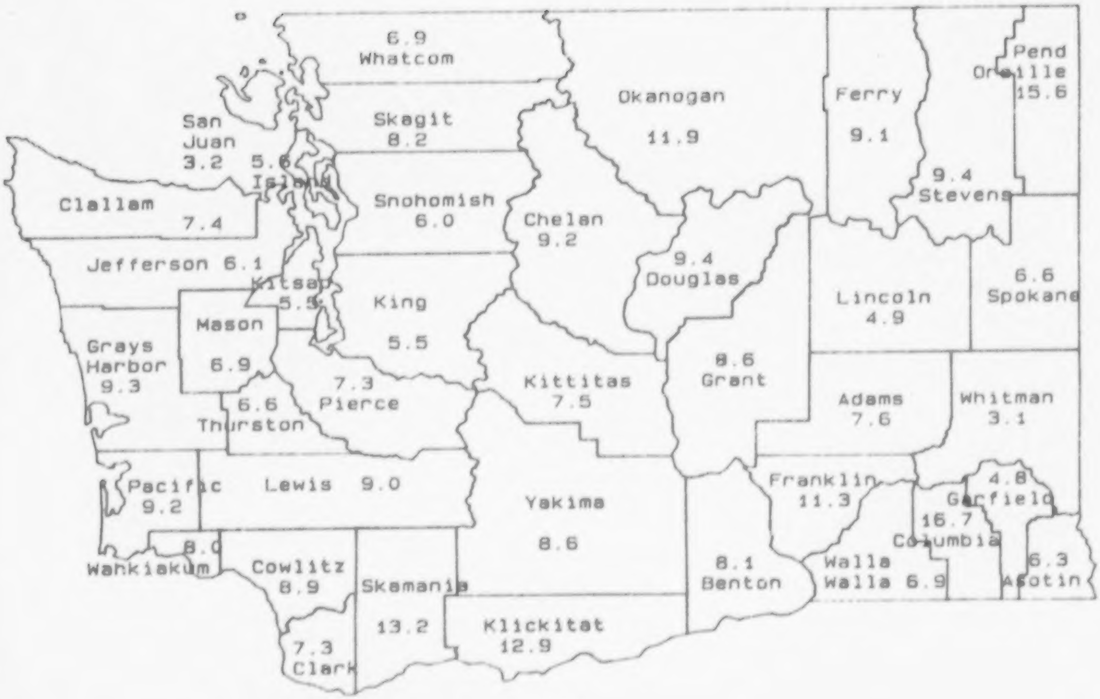
8% to 9%
9% to 10%
10% to 17%


6.9 Whatcom
San Juan 3.2
5.6 Island
Skagit 8.2
Okanogan 11.9
Ferry 9.1
Pend Oreille 15.6
9.4 Stevens
Clallam 7.4
Snohomish 6.0
Chelan 9.2
Jefferson 6.1
Kitsap 5.5
9.4 Douglas
6.6 Spokane
Lincoln 4.9
King 5.5
Mason 6.9
Grays Harbor 9.3
8.6 Grant
7.3 Pierce
6.6 Thurston
Kittitas 7.5
Adams 7.6
Whitman 3.1
Franklin 11.3
4.8 Garfield
Pacific 9.2
Lewis 9.0
Yakima 8.6
16.7 Columbia
8.0 Wahkiakum
Cowlitz 8.9
Skamania 13.2
8.1 Benton
Walla Walla 6.9
6.3 Asotin
Klickitat 12.9
7.3 Clark

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

(Not Seasonally Adjusted)

DATE 9/30/87
Benchmark: 1986

	AUGUST 1987 PRELIMINARY 1/				JULY 1987 REVISED 1/				AUGUST 1986 REVISED			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,236,800	2,087,500	149,300	6.7	2,239,700	2,079,000	160,700	7.2	2,214,600	2,043,800	170,800	7.7
Bellingham MSA	58,300	54,300	4,000	6.9	58,500	54,200	4,300	7.4	57,300	52,700	4,600	8.0
Bremerton MSA	72,200	68,200	4,000	5.5	71,700	67,500	4,200	5.9	70,900	66,400	4,500	6.3
Olympia MSA	71,500	66,800	4,700	6.6	71,700	66,600	5,100	7.1	70,600	65,000	5,600	7.9
Seattle PMSA	988,900	933,100	55,800	5.6	991,300	933,000	58,300	5.9	965,900	905,100	60,800	6.3
King County 2/	788,400	744,700	43,700	5.5	790,300	744,500	45,800	5.8	769,100	722,300	46,800	6.1
Snohomish County 2/	200,600	188,500	12,100	6.0	200,900	188,400	12,500	6.2	196,800	182,800	14,000	7.1
Spokane MSA	160,900	150,300	10,600	6.6	161,600	150,500	11,100	6.9	161,700	149,700	12,000	7.4
Tacoma PMSA	238,000	220,600	17,400	7.3	236,100	217,600	18,500	7.8	232,600	213,500	19,100	8.2
Tri-Cities MSA	67,900	61,900	6,000	8.8	69,100	63,000	6,100	8.8	69,400	62,600	6,800	9.8
Benton County 2/	51,900	47,700	4,200	8.1	53,000	48,600	4,400	8.3	53,300	48,300	5,000	9.4
Franklin County 2/	15,900	14,100	1,800	11.3	16,200	14,400	1,800	11.1	16,100	14,300	1,800	11.2
Vancouver PMSA	108,300	100,400	7,900	7.3	107,700	99,100	8,600	8.0	106,700	97,900	8,800	8.2
Yakima MSA	92,900	84,900	8,000	8.6	90,600	80,600	10,000	11.0	94,100	83,300	10,800	11.5
Adams	6,710	6,200	510	7.6	6,960	5,960	1,000	14.4	7,010	6,210	800	11.4
Asotin	8,700	8,150	550	6.3	8,800	8,180	620	7.0	8,490	7,870	620	7.3
Clallam	23,430	21,690	1,740	7.4	23,210	21,380	1,830	7.9	22,930	20,790	2,140	9.3
Columbia	1,860	1,550	310	16.7	2,040	1,710	330	16.2	1,780	1,490	290	16.3
Cowlitz	32,560	29,670	2,890	8.9	33,940	30,720	3,220	9.5	34,530	30,910	3,620	10.5
Ferry	2,630	2,390	240	9.1	2,610	2,380	230	8.8	2,690	2,380	310	11.5
Garfield	1,050	1,000	50	4.8	1,120	1,070	50	4.5	1,100	1,030	70	6.4
Grant	26,190	23,930	2,260	8.6	26,310	23,430	2,880	10.9	27,430	25,040	2,390	8.7
Grays Harbor	25,860	23,450	2,410	9.3	25,910	23,490	2,420	9.3	26,460	23,350	3,110	11.8
Island	17,840	16,840	1,000	5.6	17,900	16,930	970	5.4	17,230	16,260	970	5.6
Jefferson	8,790	8,250	540	6.1	8,570	8,010	560	6.5	8,520	7,920	600	7.0
Kittitas	11,320	10,470	850	7.5	10,830	9,800	1,030	9.5	11,260	10,440	820	7.3
Klickitat	7,080	6,170	910	12.9	7,560	6,240	1,320	17.5	8,090	7,130	960	11.9
Lewis	23,920	21,760	2,160	9.0	24,220	21,840	2,380	9.8	24,610	21,950	2,660	10.8
Lincoln	4,500	4,280	220	4.9	4,700	4,460	240	5.1	4,720	4,480	240	5.1
Mason	12,830	11,950	880	6.9	12,780	11,790	990	7.7	13,220	12,070	1,150	8.7
Okanogan	16,070	14,150	1,920	11.9	15,630	13,530	2,100	13.4	16,360	13,880	2,480	15.2
Pacific	6,990	6,350	640	9.2	6,960	6,340	620	8.9	7,470	6,690	780	10.4
Pend Oreille	2,940	2,480	460	15.6	2,950	2,490	460	15.6	3,530	2,980	550	15.6
San Juan	6,180	5,980	200	3.2	5,990	5,800	190	3.2	5,880	5,660	220	3.7
Skagit	35,160	32,270	2,890	8.2	35,980	32,780	3,200	8.9	34,560	31,130	3,430	9.9
Skamania	2,420	2,100	320	13.2	2,410	2,090	320	13.3	2,410	2,060	350	14.5
Stevens	11,200	10,150	1,050	9.4	11,150	10,030	1,120	10.0	11,160	9,900	1,260	11.3
Wahkiakum	1,120	1,030	90	8.0	1,200	1,090	110	9.2	1,170	1,040	130	11.1
Walla Walla	22,270	20,730	1,540	6.9	23,310	21,590	1,720	7.4	23,300	21,600	1,700	7.3
Wenatchee Labor Area	41,450	37,610	3,840	9.3	41,710	37,620	4,090	9.8	42,360	36,860	5,500	13.0
Chelan County 2/	27,990	25,420	2,570	9.2	28,350	25,420	2,930	10.3	28,820	24,910	3,910	13.6
Douglas County 2/	13,460	12,190	1,270	9.4	13,360	12,200	1,160	8.7	13,530	11,950	1,580	11.7
Whitman	16,970	16,440	530	3.1	16,790	16,290	500	3.0	17,180	16,470	710	4.1

1/ Estimates provided here are for use as an economic time-series.

2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

WASHINGTON STATE LABOR FORCE AND EMPLOYMENT ESTIMATES FOR FEDERAL PROGRAM PURPOSES

(Not Seasonally Adjusted)

September 29, 1987
Benchmark: 1986

	AUGUST 1987 PRELIMINARY 1/				JULY 1987 REVISED 1/			
	Labor Force	Employment	Unemployment	Unemp. Rate	Labor Force	Employment	Unemployment	Unemp. Rate
Washington State total	2,231,800	2,091,100	140,700	6.3	2,225,200	2,067,600	157,600	7.1
Bellingham MSA	58,200	54,400	3,800	6.5	58,100	53,900	4,200	7.2
Bremerton MSA	72,000	68,300	3,700	5.1	71,300	67,200	4,100	5.8
Olympia MSA	71,300	66,900	4,400	6.2	71,200	66,200	5,000	7.0
Seattle PMSA	987,300	934,700	52,600	5.3	985,000	927,800	57,200	5.8
King County 2/	787,200	746,000	41,200	5.2	785,300	740,400	44,900	5.7
Snohomish County 2/	200,200	188,800	11,400	5.7	199,600	187,400	12,200	6.1
Spokane MSA	160,600	150,600	10,000	6.2	160,600	149,700	10,900	6.8
Tacoma MSA	237,400	221,000	16,400	6.9	234,500	216,400	18,100	7.7
Tri-Cities MSA	67,600	62,000	5,600	8.3	68,700	62,700	6,000	8.7
Benton County 2/	51,800	47,800	4,000	7.7	52,600	48,300	4,300	8.2
Franklin County 2/	15,900	14,200	1,700	10.7	16,000	14,300	1,700	10.6
Vancouver PMSA	108,000	100,600	7,400	6.9	107,100	98,600	8,500	7.9
Yakima MSA	92,500	85,000	7,500	8.1	89,900	80,100	9,800	10.9
Adams	6,690	6,210	480	7.2	6,910	5,930	980	14.2
Asotin	8,680	8,160	520	6.0	8,750	8,140	610	7.0
Clallam	23,360	21,720	1,640	7.0	23,050	21,260	1,790	7.8
Columbia	1,840	1,550	290	15.8	2,020	1,700	320	15.8
Cowlitz	32,440	29,720	2,720	8.4	33,710	30,550	3,160	9.4
Ferry	2,610	2,390	220	8.4	2,580	2,360	220	8.5
Garfield	1,050	1,000	50	4.9	1,110	1,060	50	4.5
Grant	26,100	23,970	2,130	8.2	26,130	23,300	2,830	10.8
Grays Harbor	25,770	23,490	2,280	8.8	25,730	23,360	2,370	9.2
Island	17,810	16,870	940	5.3	17,780	16,830	950	5.3
Jefferson	8,770	8,260	510	5.8	8,520	7,970	550	6.5
Kittitas	11,290	10,490	800	7.1	10,750	9,740	1,010	9.4
Klickitat	7,040	6,180	860	12.2	7,510	6,210	1,300	17.3
Lewis	23,830	21,790	2,040	8.6	24,050	21,720	2,330	9.7
Lincoln	4,490	4,290	200	4.5	4,670	4,430	240	5.1
Mason	12,800	11,970	830	6.5	12,690	11,720	970	7.6
Okanogan	15,980	14,170	1,810	11.3	15,500	13,450	2,050	13.2
Pacific	6,970	6,360	610	8.8	6,910	6,310	600	8.7
Pend Oreille	2,910	2,480	430	14.8	2,930	2,480	450	15.4
San Juan	6,180	5,990	190	3.1	5,960	5,770	190	3.2
Skagit	35,060	32,330	2,730	7.8	35,740	32,600	3,140	8.8
Skamania	2,410	2,110	300	12.4	2,390	2,080	310	13.0
Stevens	11,160	10,170	990	8.9	11,070	9,980	1,090	9.8
Wahkiakum	1,120	1,030	90	8.0	1,190	1,080	110	9.2
Walla Walla	22,210	20,760	1,450	6.5	23,160	21,470	1,690	7.3
Wenatchee Labor Area	41,300	37,680	3,620	8.8	41,420	37,410	4,010	9.7
Chelan County 2/	27,890	25,460	2,430	8.7	28,160	25,280	2,880	10.2
Douglas County 2/	13,410	12,210	1,200	8.9	13,270	12,130	1,140	8.6
Whitman	16,970	16,470	500	2.9	16,690	16,200	490	2.9

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data. Data are not comparable with estimates made in previous years.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding.

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK 2/

(In Thousands)

NOT SEASONALLY ADJUSTED					Numerical Change	
Industry	Aug. 1987 (Prel.)	Jul. 1987 (Rev.)	Aug. 1986 (Rev.)	Jul. 1986 (Rev.)	Jul. 87 to Aug. 87	Aug. 86 to Aug. 87
TOTAL NONAG. WAGE AND SALARY	1847.1	1836.8	1782.4	1775.0	10.3	64.7
MANUFACTURING	321.1	316.6	309.1	302.7	4.5	12.0
Durable Goods	224.0	223.0	213.7	211.4	1.0	10.3
Lumber & Wood Products	40.9	41.1	38.9	36.9 4/	-0.2	2.0
Furniture & Fixtures	4.2	4.1	3.9	3.8	0.1	0.3
Stone, Clay & Glass	6.6	6.6	6.6	6.7	0.0	0.0
Primary Metals	11.6	11.5	11.4 4/	11.4	0.1	0.2
Aluminum	7.6	7.5	7.2 4/	7.2	0.1	0.4
Fabricated Metals	10.8	10.5	10.4	10.1	0.3	0.4
Machinery	28.6	28.5	28.7	29.2	0.1	-0.1
Machinery (Exc. Elec.)	16.4	16.4	16.4	16.8	0.0	0.0
Electrical Equip.	12.2	12.1	12.3	12.4	0.1	-0.1
Transportation Equip.	106.1	105.5	98.8	98.2	0.6	7.3
Aerospace	93.5	92.7	86.7	85.9	0.8	6.8
Other Transp. Equip.	12.6 4/	12.8	12.1	12.3	-0.2	0.5
Instruments & Related	10.5	10.5	10.4	10.6	0.0	0.1
Misc. Manufacturing	4.7	4.7	4.6	4.5	0.0	0.1
Nondurable Goods	97.1	93.6	95.4	91.3	3.5	1.7
Food & Kindred Products	33.5	29.9	33.4	29.3	3.6	0.1
Canned & Preserved Foods.	12.6	9.6	13.1	9.7	3.0	-0.5
Apparel & Allied Products	6.6	6.4	6.4	6.2	0.2	0.2
Paper & Allied Products	17.5	17.7	17.4	17.6	-0.2	0.1
Printing & Publishing	19.3	19.4	18.6 4/	18.7	-0.1	0.7
Chemicals & Allied Products	11.7	11.7	11.6	11.6	0.0	0.1
Other Nondurable Goods 3/	8.5	8.5	8.0	7.9	0.0	0.5
MINING & QUARRYING	3.0	3.0	3.1	3.0	0.0	-0.1
CONSTRUCTION	97.9 4/	95.3 4/	93.4	90.3 4/	2.6	4.5
TRANSP.,COMM. & UTIL.	101.2 4/	100.5 4/	97.6	97.0	0.7	3.6
WHOLESALE & RETAIL TRADE	467.3	464.8	442.6	439.7	2.5	24.7
Wholesale Trade	113.8	112.2	109.2	108.2	1.6	4.6
Retail Trade	353.5	352.6	333.4	331.5	0.9	20.1
FIN. INS. & REAL ESTATE	108.5	108.6	107.0	106.7	-0.1	1.5
SERVICES	414.2	411.8	397.7	395.7	2.4	16.5
Health Services	128.8	128.6	123.3	123.3	0.2	5.5
GOVERNMENT	333.9	336.2	331.9	339.9	-2.3	2.0
Federal	73.9	74.0	71.5	72.9	-0.1	2.4
State & Local	260.0	262.2	260.4	267.0	-2.2	-0.4
Education	116.7	120.8	117.1	124.4	-4.1	-0.4
(WORKERS IN LABOR-MANAGEMENT DISPUTES	0.5	0.4	0.5	3.2	0.1	0.0

_1/ These data are alternative estimates which are more nearly comparable to data released in previous years than are official Bureau of Labor Statistics estimates developed for Federal program purposes.

_2/ Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

_3/ Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

_4/ Workers excluded because of involvement in labor-management disputes.

ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON

	Prelim Aug Production Workers/ Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Aug-87	July-87	Aug-86	Aug-87	July-87	Aug-86	Aug-87	July-87	Aug-86
TOTAL MANUFACTURING INDUSTRIES*	193,500	$465.31	$475.99	$450.08	39.3	39.6	38.8	$11.84	$12.02	$11.60
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35,600	$381.99	$416.25	$371.69	35.7	37.5	34.9	$10.70	$11.10	$10.65
Primary Metal Industries	9,200	$542.82	$543.19	**$530.45	43.6	43.7	42.2	$12.45	$12.43	$12.57
Fabricated Metal Products	8,300	$436.16	$427.43	$450.96	39.4	38.3	40.3	$11.07	$11.16	$11.19
Machinery	16,900	$375.71	$377.06	$378.88	39.3	39.9	39.1	$9.56	$9.45	$9.69
Food and Kindred Products	24,600	$354.05	$373.60	$351.36	36.5	37.1	37.7	$9.70	$10.07	$9.32
Chemical and Allied Products	5,100	$619.05	$614.55	$575.87	42.9	42.5	40.9	$14.43	$14.46	$14.08
Transportation Equipment	44,000	** $613.28	$603.59	$557.86	42.5	41.8	41.6	$14.43	$14.44	$13.41
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	59,800	** $608.58	**$605.13	**$581.08	37.8	37.4	36.5	$16.10	$16.18	$15.92
Wholesale and Retail Trade (does not include eating and drinking establishments)	282,200	$342.52	$334.18	$326.06	36.4	35.4	34.0	$9.41	$9.44	$9.59

* Average hourly earnings for all manufacturing production workers reported in this table do not fully reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

** Affected by labor-management disputes.

Employment Security Department
KG-11
Olympia WA 98504-5311

Official Business
Penalty for Private Use $300

U.S. MAIL

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EMPLOYMENT SECURITY MAIL
LAB-449

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BETHESDA MD 20814